Industry Canada

# Performance Report

**For the period ending**
**March 31, 2007**

Minister of Industry

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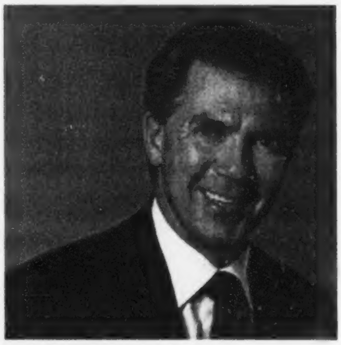
# Section 1:
# Overview of the Department

## 1.1 Minister's Message



I am pleased to present Industry Canada's *Departmental Performance Report* for 2006–07.

My goal as Minister of Industry, and one of the top priorities of Canada's New Government, is to ensure we maintain a strong economic environment — one that allows Canadians to prosper in the global economy. We are seeing great changes in the international marketplace. New trade agreements, rapidly advancing technologies and the emergence of developing countries are all contributing to today's business environment. Canada needs to keep pace.

Part of my mandate is to help make Canadians more productive and competitive. We want our industries to continue to thrive and all Canadians to continue to enjoy one of the highest standards of living in the world.

For this to happen, the government is committed to maintaining a fair, efficient and competitive marketplace — one that encourages investment, sets the stage for greater productivity, and facilitates innovation. We are relying on market forces to a greater extent, regulating only when it is absolutely necessary. Our policies have helped turn research into new products and business processes. In addition, we are making efforts to increase awareness of sustainability practices among Canadian industry, emphasizing the social, environmental and economic benefits they bring.

The Department and the Industry Portfolio have made progress on a wide range of issues this past year, most notably in the areas of telecommunications, science and practical research, manufacturing, small business, consumer protection, patents and copyrights, tourism and economic development.

The Industry Portfolio is composed of Industry Canada and 10 other agencies, Crown corporations and quasi-judicial bodies. These organizations collectively advance Canada's industrial, scientific and economic development, and help ensure that we remain competitive in the global marketplace.

The Department has actively pursued its goals throughout this year, and we have seen significant progress on a number of fronts:

- We have taken steps to modernize marketplace frameworks. In the telecommunications industry, for example, we have decreased regulation and are relying on market forces to a much greater extent. We are reviewing and updating our intellectual property regime. And, in close collaboration with our provincial partners, we are contributing to an ambitious Internal Trade Agreement on labour mobility.
- We worked with Finance Canada to develop a new Science and Technology Strategy. This strategy is designed to create a business environment that encourages the private sector to innovate and that guides strategic investment of public funds.
- Our efforts to support the generation and commercialization of knowledge were highlighted through new initiatives in manufacturing, government procurement, sustainable development, renewable energy, nanotechnology and biotechnology. In addition, we announced continuing support for the operation and development of CANARIE Inc.'s advanced research network through a $120-million, five-year grant.

- We have pursued several initiatives to help businesses remain competitive and assist Canadians acquire the skills that are highly valued by growing, innovative companies. We are investing in information and communications technology projects and, through BizPaL initiatives, are reducing paperwork and regulatory red tape for Canadian business.
- Sustainable development is an essential part of today's economy, and we are working with Canadians to increase awareness of corporate social responsibility and sustainability practices among Canadian industry, institutions and communities.

We have accomplished much this year. Using *Advantage Canada* — the government's long-term economic plan — as our roadmap, we have made great strides toward many of our most important goals. We will continue to focus on these goals to support the conditions for a strong economy — an environment that Canadians expect and deserve.

Jim Prentice
Minister of Industry

## 1.2 Management Representation Statement

I submit, for tabling in Parliament, the 2006–07 *Departmental Performance Report* (DPR) for Industry Canada.

This document has been prepared based on the reporting principles contained in the *Guide for the Preparation of Part III of the 2006–07 Estimates: Reports on Plans and Priorities and Departmental Performance Reports*:

- It adheres to the specific reporting requirements outlined in the Treasury Board Secretariat guidance;
- It is based on the Department's approved strategic outcomes and Program Activity Architecture that were approved by the Treasury Board;
- It presents consistent, comprehensive, balanced and reliable information;
- It provides a basis of accountability for the results achieved with the resources and authorities entrusted to it; and
- It reports finances based on approved numbers from the Estimates and the Public Accounts of Canada.

Richard Dicerni
Deputy Minister

AUG 2 9 2007

Date

# 1.3 Summary Information

## Industry Canada's Mandate

Industry Canada draws its legislative mandate from the *Department of Industry Act*, which states that the Department's general mandate focuses on many areas of the Canadian economy, including industry and technology, trade and commerce, telecommunications, science, consumer affairs, competition, bankruptcy and insolvency, patents, trademarks, copyrights, integrated circuit topographies and industrial designs, investment, small businesses, tourism, and regional economic development in Ontario.

The Department's objective is to help make Canadians more productive and competitive in the global economy, thus improving the standard of living and quality of life in Canada. Through the policies, programs and services that it develops, implements and delivers, Industry Canada is helping to create a dynamic and innovative economy that does the following:

- provides more and better-paying jobs for Canadians;
- supports stronger economic growth through continued improvements in productivity and innovation performance;
- gives businesses, consumers and investors confidence that the marketplace is fair, efficient and competitive; and
- integrates the economic, environmental and social interests of Canadians.

For more information on Industry Canada's work, visit **www.ic.gc.ca**.

## Industry Canada's Strategic Outcomes

Industry Canada works to foster growth and create high-quality, well-paying jobs by working toward three strategic outcomes:

**Table 1.0: Industry Canada's Strategic Outcomes**

| Strategic Outcome | Description |
|---|---|
| A fair, efficient and competitive marketplace | A marketplace that protects the interests of businesses and consumers, imposes minimal regulatory burden, and fosters fair competition |
| An innovative economy | An economy that ensures its global competitiveness by supporting the creation of knowledge and the effective translation of this knowledge into new products and processes |
| Competitive industry and sustainable communities | A Canadian industry that can compete globally for resources and customers, and Canadian communities that use their resources to ensure the success of their citizens without undermining the ability of future generations to meet their own needs |

## Industry Canada's Governance Structure

The Minister of Industry is responsible for carrying out Industry Canada's mandate. Through the agencies, sectors, branches and directorates, as well as the Industry Portfolio, the Minister of Industry has jurisdiction over policy issues regarding industry; trade and commerce; science; consumer affairs; corporations and corporate securities; competition and restraint of trade, including mergers and monopolies; bankruptcy and insolvency; intellectual property; telecommunications; investment; small businesses; and regional economic development across Canada.

The Deputy Minister and Senior Associate Deputy Minister are accountable for the stewardship of Industry Canada. They provide strategic direction and sound management so that the Department effectively contributes to achieving the government's priorities, and that its wide range of activities is well coordinated and produces concrete results.

From an operational point of view, Industry Canada's governance structure is functionally expressed through its committee structure. This structure exists within Industry Canada at both the working and senior management levels, and the committees provide oversight and decision-making authority in a number of areas, including policy, procurement and contracting.

More specifically, Industry Canada has a number of senior management committees that work to support senior executives and, ultimately, the Minister. These committees enable the development and delivery of policies and programs, and oversee the management of the complex departmental machinery. The committee structure is traditional in nature — divided among operations (Management Committee), policy (Senior Policy Committee) and independent oversight (Audit and Evaluation Committee). These three committees in turn provide advice to the Executive Committee, which supports the Deputy Minister and the Senior Associate Deputy Minister in fulfilling their management responsibilities for the Department. This structure provides strategic direction and oversight, which facilitate the achievement of the Department's three strategic outcomes.

## Operating Context of Industry Canada in 2006–07

In 2006–07, the Canadian economy remained strong, despite continuing appreciation of the Canadian dollar, higher energy costs and increasing competition from emerging economies. The global environment was characterized by blurring borders, interconnected supply chains, and highly mobile capital in search of the best returns. In this context, Canada needed to ensure that the necessary frameworks were in place to support a competitive advantage among Canadian firms.

Among the five priorities that were included in Budget 2006, a commitment was made to create new opportunities for Canadians by lowering taxes, rewarding effort and making Canada a better place to do business. Budget 2006 also announced that the government would develop a broad-based agenda to promote a more competitive, productive Canada; that the Minister of Industry, in conjunction with the Minister of Finance, would develop a science and technology strategy; and that the government would study options for reducing paperwork burden on small business.

As such, in November 2006, the Minister of Finance released *Advantage Canada: Building a Strong Economy for Canadians*. This economic plan reiterated the commitment to a federal science and technology strategy, announced a new commitment to support the removal of barriers to labour mobility across Canada, increased support for research excellence and better alignment between post-secondary research capacity and the needs of business, and called for a 20-percent reduction in paper burden on Canadian business. Overall, these conditions created a dynamic operating context for Industry Canada.

## Industry Canada's Financial and Human Resources

**Table 1.1: Financial Resources (Millions of Dollars)**

| Planned Spending | Total Authorities | Actual Spending |
|---|---|---|
| $1,357.7 | $1,389.0 | $1,189.7 |

**Table 1.2: Human Resources (Full-Time Equivalents)**

| Planned | Actual | Difference |
|---|---|---|
| 6,104 | 5,521 | 583 |

# 1.4 Strengthening Management Practices at Industry Canada

In 2006–07, Industry Canada continued its commitment to strengthening departmental management practices and used the Management Accountability Framework (MAF) as a tool to advance its management priorities. The MAF is structured around 10 key elements that collectively define management and establish the expectations for good management of a department or agency. Departments and agencies are annually assessed on the effectiveness of their management practices through the MAF assessment process.

As a result of the latest MAF assessment cycle performed by Treasury Board of Canada Secretariat (TBS), Industry Canada has, overall, improved its rating compared with the previous year's assessment. Furthermore, TBS has also noted that the Department has made progress on all areas identified as management priorities for 2006–07. Industry Canada will continue to use the information contained in the MAF assessment, including the management priorities identified for 2006–07 to further strengthen its management practices.

Following is a more detailed account of the progress Industry Canada has made regarding its management priorities.

### Implementing the *Federal Accountability Act*

The *Federal Accountability Act* (FedAA), which received royal assent on December 12, 2006, reflects the Government of Canada's commitment to make government more accountable. Industry Canada has been working with the Treasury Board Portfolio and other departments and agencies to ensure that the measures related to the FedAA and the FedAA Action Plan are in place. The Department's progress within the past year includes the following:

- the appointment of a Senior Officer for Internal Disclosure of Wrongdoing and the continuance of the Advisory Committee on Internal Disclosure; and
- the review of the Department's funding agreements in order to meet the new requirements under the FedAA, and the review of the Department's practices concerning public opinion research, lobbyists' registration, accounting officer requirements and communications plans.

In addition, Industry Canada's Internal Audit Committee continued to ensure that the Department's internal audit capacity is appropriate for its needs and that the Department is in a position to effectively conduct its program evaluation every five years, as required by the FedAA.

With respect to values and ethics, Industry Canada continues to undertake initiatives supporting a values and ethics culture and informing employees of their responsibilities. These initiatives include providing training on the Values and Ethics Code for the Public Service; since November 2004, the Department has provided more than 80 sessions and has reached a total of 1,600 Industry Canada employees. In addition, the Department has begun implementation of the *Public Servants Disclosure Protection Act* (PSDPA), as prescribed by the FedAA.

## Integrating Human Resources and Business Planning

In April 2006, Industry Canada completed its first round of integrated human resources planning. As a result, nearly all departmental organizations submitted a one-year staffing plan. Some organizations went further, submitting a two- or three-year strategic human resources plan embedded in their business plan. Overall, Industry Canada managers have made progress toward fully integrating human resources, financial and business planning. For instance, the use of collective staffing processes to manage pools of talent for staffing efficiency and employee retention, development and succession management purposes has increased. As indicated in the 2006–07 *Report on Plans and Priorities* (RPP), one of the key challenges associated with implementing a formal human resources planning process at Industry Canada has been to ensure the integrity of the data provided to managers in support of their planning efforts. In response, the Department has taken steps to address data integrity issues that currently limit the timeliness and reliability of Human Resources Management System–based reporting. For instance, a project office within the Human Resources Operations Directorate was established to coordinate and collaborate with another internal data collection team to address data integrity issues (i.e., incomplete, incorrect or timeliness of the data entry). A steering committee composed of human resources directors was also established to provide direction and oversight of data integrity activities.

In addition, new integrated human resources planning tools were developed in November 2006. This comprehensive tool kit included planning aids, templates and guidelines to enable integrated planning for staffing, official languages, employment equity, learning and succession management.

## Modernizing Staffing Initiatives

In order to meet the training needs of its staffing community, in 2006–07 Industry Canada created a development program for staffing advisors that included a training component for the advisors themselves as well as staffing assistants. As in the past, training continued to be provided to staffing managers. During 2006–07, Industry Canada also developed and implemented a framework to monitor staffing. Quarterly monitoring of staffing activities, both qualitative and quantitative, was completed and, along with issues of concern and trends, was reported to senior management. Policies, guidelines, sub-delegation and accountability requirements connected with the review of the staffing framework were also reviewed and modified as necessary during this period either to comply with new requirements of the Public Service Commission of Canada or to better meet the Department's needs.

Industry Canada also plans to further modernize its staffing initiatives. In 2007–08, the Department expects to have customized products to meet the information needs of employees and training needs of managers, human resources professionals and human resources assistants, and to fully implement those products (i.e., deliver training sessions) during 2008–09. In addition, to enhance its modernization efforts, in 2007–08 and 2008–09 the Department will continue to send human resources professionals to various training courses offered by the Canada School of Public Service.

## Providing Tools and Guidance Through the Conflict Prevention and Early Resolution Office

The Conflict Prevention and Early Resolution (CPER) Office was established in 2005. Since then, Industry Canada has continued to benefit from the delivery of conflict management workshops and the provision of services in conflict management (conflict coaching, facilitation and mediation). The CPER Office has also created a CPER Network, consisting of bargaining agents, managers and human resources professionals who have participated in training workshops to acquire basic conflict coaching skills that assist them in more effectively dealing with workplace conflict.

During 2006–07, CPER provided services to 54 clients (from all sectors); the majority of services (56) have been in conflict coaching. In addition, 8 conflict management workshops were provided across the Department. The CPER Office will be moving forward on a number of projects to increase awareness and capacity in conflict management across the Department, including training and communication. Progress will be measured through the evaluation components of these projects.

## Ensuring a Strong Stewardship Framework Is in Place

Industry Canada has continued to ensure that a strong stewardship framework is in place and adhered to by developing and upgrading resource management tools and techniques, and by strengthened management practices regarding information technology management. Furthermore, to enhance management reporting and decision support throughout the Department and to enable more effective horizontal management and reallocation decisions to fund departmental priorities, new corporate management reports have been developed. As well, Industry Canada has deployed a Salary Resource Management System across the Department along with validated departmental salary information to accurately forecast salary requirements and to facilitate fiscally informed executive-level decision making.

The Department has also developed a Management Control Framework to improve oversight of the accounts verifications process. As well, weaknesses in internal controls have been identified and remediated, along with a new functional reporting regime that has been launched across the Department.

Regarding project management, Industry Canada has implemented an Early Warning System for Contracts. For instance, sole source contracts greater than $25,000 must be reviewed by the Programs and Services Board, and sign-off is required by the Department's Chief Financial Officer on competitive processes. In addition, Industry Canada has also advanced work on developing an Integrated Risk Management Framework and on identifying the next steps to conduct associated risk management activities.

# 1.5 Overall Departmental Performance

## Linking Industry Canada's *Report on Plans and Priorities* (RPP) to its *Departmental Performance Report* (DPR)

In an effort to improve reporting to Parliament, Industry Canada has sought ways to enhance the timeliness and quality of its reports, strengthening the link between departmental plans and priorities versus performance. The Department has streamlined information, consolidated sections and added new areas to ensure readers can easily follow the Department's performance story. These efforts reflect Industry Canada's recognition of the importance of an effective parliamentary reporting regime for transparency and accountability. Current and future efforts made by the Department to improve reporting to Parliament focus on researching and developing options to improve the usability and accessibility of reports required by parliamentarians.

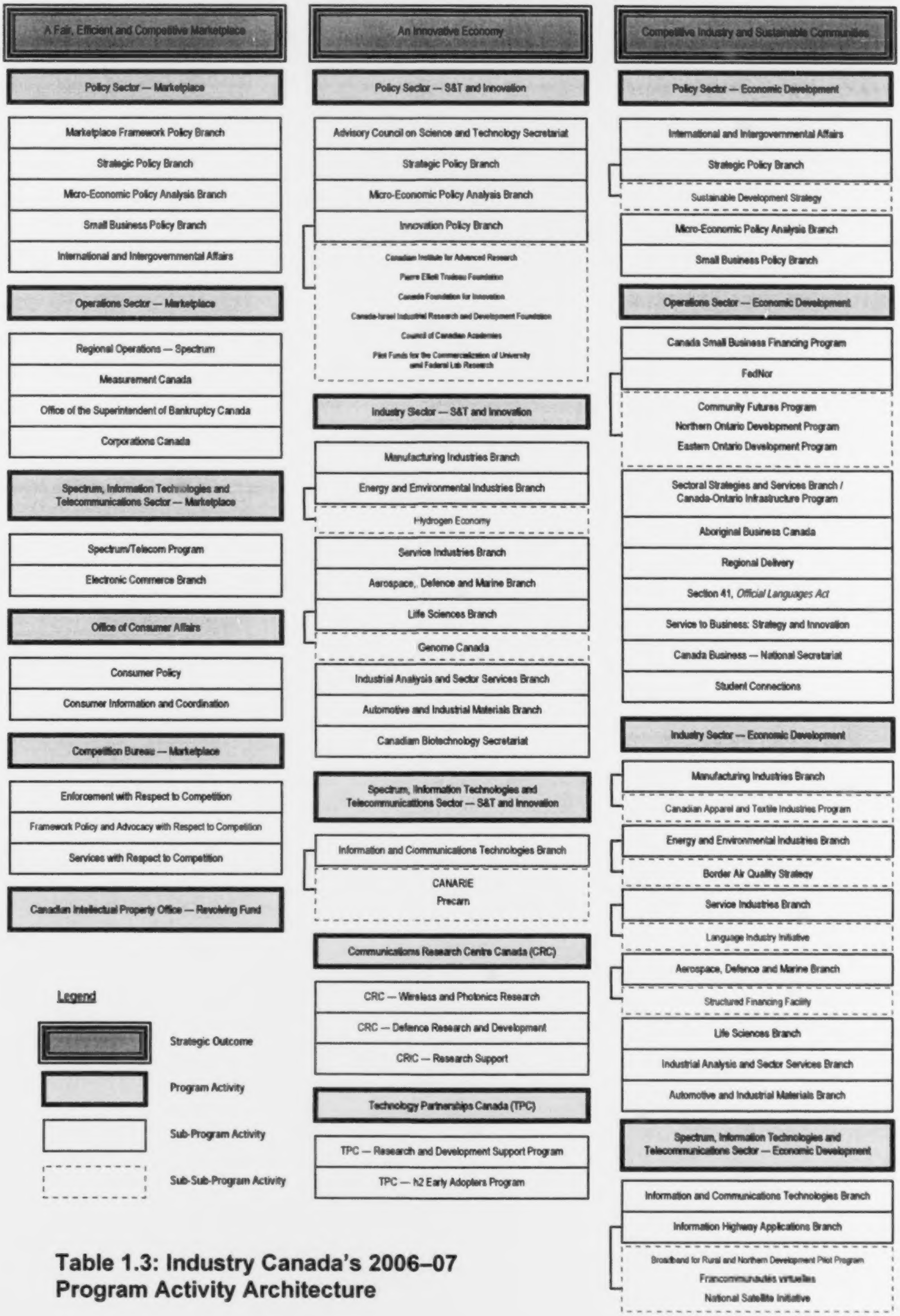
In order to help parliamentarians and Canadians navigate between the performance information in this document and the plans and priorities in the 2006–07 RPP, notable changes are listed in the Appendix on page 89.

## Industry Canada's Program Activity Architecture Structure

Industry Canada's basis for reporting to Parliament is its Program Activity Architecture (PAA). The PAA describes the relationship between the activities the Department undertakes and the strategic outcomes it is working to achieve, in order to produce results for Canadians. In addition, the PAA also provides the Department with a framework that links the expected results and performance measures to individual program activities, clarifying why the Department is doing what it does and how it will measure that results are achieved. Finally, the PAA also serves as a framework to link the Department's financial resources to each program activity, indicating how the Department manages the resources under its control to achieve its intended outcomes.

Industry Canada is working to achieve three strategic outcomes: a fair, efficient and competitive marketplace; an innovative economy; and competitive industry and sustainable communities. Each of these strategic outcomes is supported by one or more program activities in the PAA. In most cases, each program activity is in turn associated with one or more sub-program activities or sub-sub-program activities. Information on results for the Department is reported based on these program, sub-program and sub-sub-program activities.

Table 1.3 shows a graphic representation of Industry Canada's PAA, used as the basis for reporting in this document. Please note that this graphic does not include departmental corporate services, as these are enabling activities and therefore are not reported on in the DPR.



**A Fair, Efficient and Competitive Marketplace**

- **Policy Sector — Marketplace**
  - Marketplace Framework Policy Branch
  - Strategic Policy Branch
  - Micro-Economic Policy Analysis Branch
  - Small Business Policy Branch
  - International and Intergovernmental Affairs
- **Operations Sector — Marketplace**
  - Regional Operations — Spectrum
  - Measurement Canada
  - Office of the Superintendent of Bankruptcy Canada
  - Corporations Canada
- **Spectrum, Information Technologies and Telecommunications Sector — Marketplace**
  - Spectrum/Telecom Program
  - Electronic Commerce Branch
- **Office of Consumer Affairs**
  - Consumer Policy
  - Consumer Information and Coordination
- **Competition Bureau — Marketplace**
  - Enforcement with Respect to Competition
  - Framework Policy and Advocacy with Respect to Competition
  - Services with Respect to Competition
- **Canadian Intellectual Property Office — Revolving Fund**

**An Innovative Economy**

- **Policy Sector — S&T and Innovation**
  - Advisory Council on Science and Technology Secretariat
  - Strategic Policy Branch
  - Micro-Economic Policy Analysis Branch
  - Innovation Policy Branch
    - Canadian Institute for Advanced Research
    - Pierre Elliott Trudeau Foundation
    - Canada Foundation for Innovation
    - Canada-Israel Industrial Research and Development Foundation
    - Council of Canadian Academies
    - Pilot Funds for the Commercialization of University and Federal Lab Research
- **Industry Sector — S&T and Innovation**
  - Manufacturing Industries Branch
  - Energy and Environmental Industries Branch
    - Hydrogen Economy
  - Service Industries Branch
  - Aerospace, Defence and Marine Branch
  - Life Sciences Branch
    - Genome Canada
  - Industrial Analysis and Sector Services Branch
  - Automotive and Industrial Materials Branch
  - Canadian Biotechnology Secretariat
- **Spectrum, Information Technologies and Telecommunications Sector — S&T and Innovation**
  - Information and Communications Technologies Branch
    - CANARIE
    - Precarn
- **Communications Research Centre Canada (CRC)**
  - CRC — Wireless and Photonics Research
  - CRC — Defence Research and Development
  - CRC — Research Support
- **Technology Partnerships Canada (TPC)**
  - TPC — Research and Development Support Program
  - TPC — h2 Early Adopters Program

**Competitive Industry and Sustainable Communities**

- **Policy Sector — Economic Development**
  - International and Intergovernmental Affairs
  - Strategic Policy Branch
    - Sustainable Development Strategy
  - Micro-Economic Policy Analysis Branch
  - Small Business Policy Branch
- **Operations Sector — Economic Development**
  - Canada Small Business Financing Program
  - FedNor
    - Community Futures Program
    - Northern Ontario Development Program
    - Eastern Ontario Development Program
  - Sectoral Strategies and Services Branch / Canada-Ontario Infrastructure Program
  - Aboriginal Business Canada
  - Regional Delivery
  - Section 41, *Official Languages Act*
  - Service to Business: Strategy and Innovation
  - Canada Business — National Secretariat
  - Student Connections
- **Industry Sector — Economic Development**
  - Manufacturing Industries Branch
    - Canadian Apparel and Textile Industries Program
  - Energy and Environmental Industries Branch
    - Border Air Quality Strategy
  - Service Industries Branch
    - Language Industry Initiative
  - Aerospace, Defence and Marine Branch
    - Structured Financing Facility
  - Life Sciences Branch
  - Industrial Analysis and Sector Services Branch
  - Automotive and Industrial Materials Branch
- **Spectrum, Information Technologies and Telecommunications Sector — Economic Development**
  - Information and Communications Technologies Branch
  - Information Highway Applications Branch
    - Broadband for Rural and Northern Development Pilot Program
    - Francommunautés virtuelles
    - National Satellite Initiative

Legend

Strategic Outcome
Program Activity
Sub-Program Activity
Sub-Sub-Program Activity

## Table 1.3: Industry Canada's 2006–07 Program Activity Architecture

## Results of Industry Canada's Priorities

In its 2006–07 RPP, Industry Canada identified five departmental priorities for fostering a more productive Canadian economy that rewards the efforts of individuals and businesses, supports creativity and innovation, and increases trade and investment. In meeting these priorities the Minister clarified the Department's intention to rely, as much as possible, on a free, efficient and competitive marketplace. In this way, the market was able to provide the signals that guided the Department in making the decisions that enhanced competitiveness.

Table 1.4 lists Industry Canada's five priorities and groups them according to the strategic outcome they support. Table 1.4 also indicates whether the priority was new, previous or ongoing and outlines supporting program activities. Allocated financial and human resources are also provided.

In previous years, this section of the document contained indicators that measured progress against Industry Canada's priorities and strategic outcomes. To view these indicators, visit **ic.gc.ca/epic/site/ic1.nsf/en/00291e.html**.

## Table 1.4: Departmental Priorities

| Departmental Priority | Supported by Program Activity | Type of Priority[1] | Performance Status[2] | Planned Spending and Full-Time Equivalents (FTEs) | Actual Spending and FTEs |
|---|---|---|---|---|---|
| A Fair, Efficient and Competitive Marketplace | | | | | |
| 1. Continuing to modernize marketplace frameworks in support of a highly competitive and innovative economy for the benefit of all Canadians | • Policy Sector — Marketplace<br>• Operations Sector — Marketplace<br>• Spectrum, Information Technologies and Telecommunications (SITT) Sector — Marketplace<br>• Office of Consumer Affairs — Marketplace<br>• Competition Bureau — Marketplace<br>• Canadian Intellectual Property Office — Marketplace | Ongoing and previous | Successfully met | $201.9 million<br>3,208 FTEs | $179.3 million<br>2,990 FTEs |
| An Innovative Economy | | | | | |
| 2. Ensuring the strategic allocation of resources<br>3. Supporting the generation and commercialization of knowledge | • Policy Sector — Science and Technology (S&T) and Innovation<br>• Industry Sector — S&T and Innovation<br>• SITT Sector — S&T and Innovation<br>• Communications Research Centre Canada — S&T and Innovation<br>• Technology Partnerships Canada | Ongoing and previous | Successfully met | $622.7 million<br>732 FTEs | $500.1 million<br>701 FTEs |
| Competitive Industry and Sustainable Communities | | | | | |
| 4. Implementing strategic frameworks for priority industrial sectors that have an important impact on the Canadian economy<br>5. Working with Canadians to position them to take advantage of economic opportunities, support business development, provide long-term growth and promote sustainable development | • Policy Sector — Economic Development<br>• Operations Sector — Economic Development<br>• Industry Sector — Economic Development<br>• SITT Sector — Economic Development | Ongoing and previous | Successfully met | $532.3 million<br>961 FTEs | $510.3 million<br>804 FTEs |

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[1] Type of priority is "new," "ongoing" or "previous." "New" means that the priority was introduced during this performance period. "Ongoing" means the priority has no end date. "Previous" means that the priority was reported in a prior RPP or DPR.

[2] Performance status is "successfully met," "not met" or "exceeded."

## Industry Canada's Priorities

### Priority No. 1: Continuing to modernize marketplace frameworks in support of a highly competitive and innovative economy for the benefit of all Canadians

Industry Canada is committed to steadily decreasing regulation, promoting reliance on market forces and reducing barriers to entry in the telecommunications sector. In particular, during 2006–07, Industry Canada pursued an ambitious policy agenda to establish a streamlined regulatory framework for Canada's telecommunications sector, one that is more modern, flexible and efficient. The new policy agenda and subsequent deregulation of local telephone services should contribute to a more competitive Canadian telecommunications market, resulting in more choices, improved products and services and lower prices for consumers.

Other activities undertaken by Industry Canada in 2006–07 include bringing forward legislation that provides intellectual property rights protection for Olympic and Paralympic words and symbols. The legislation strengthens the exclusive rights of the Vancouver Organizing Committee for the 2010 Olympic and Paralympic Winter Games (VANOC™) over key Olympic and Paralympic words and symbols. This enhances VANOC's ability to raise the necessary funds to host a successful Games and showcase Canada to the world. *The Olympic and Paralympic Marks Act* came into force on June 22, 2007. In addition, Industry Canada brought forward amendments to the Patented Medicines (Notice of Compliance) Regulations under the *Patent Act*. These amendments, which came into force on October 5, 2006, make it easier for generic drug companies to predict when they may enter the market with a lower-cost version of an innovative, patented drug, thereby accelerating the market entry of generic drugs once relevant patents expire.

In addition, in 2006–07 the Minister of Industry met with provincial and territorial counterparts to discuss ways to strengthen the country's economic union. As a result of this meeting, a significant labour mobility agreement was reached that will be fully in effect by 2009.

In 2006–07, Industry Canada also worked through the Advisory Committee on Paperwork Burden Reduction to reduce the administrative and paper burden on small businesses. This work culminated in a commitment by the government, announced in Budget 2007, for key federal regulatory departments and agencies to establish an inventory of administrative requirements and information obligations with which business must comply, and to achieve a 20-percent reduction by November 2008.

Finally, Industry Canada was instrumental in Justice Canada's development of Bill C-26, *An Act to amend the Criminal Code (criminal interest rate)*, which received royal assent on May 3, 2007. The objective of this Act is to ensure that provinces and territories have the opportunity to establish appropriate protections for consumers who use payday loans. The Act is the result of extensive discussions with provincial and territorial governments and with other federal departments, and it reflects Industry Canada's commitment to enhancing consumer protection within the marketplace frameworks.

Overall, these activities enhanced the Department's ability to contribute to the strategic outcome of a fair, efficient and competitive marketplace. See Section 2: Analysis of Program Activities by Strategic Outcome for more detail.

### Priority No. 2: Ensuring the strategic allocation of resources

Adequate funding for research and innovation projects is a key driver of an innovative economy. In 2006–07, Industry Canada worked with Finance Canada to develop the Science and Technology (S&T) Strategy — *Mobilizing Science and Technology to Canada's Advantage*. The Strategy builds on Canada's strong economic foundation, takes advantage of existing research capacity and ensures that federal investments in S&T make a meaningful difference to improve the wealth and well-being of Canadians. The Strategy also reflects the importance of S&T to the Government of Canada and provides a framework to guide federal government decision making in support of S&T over the coming years.

The Strategy sets out three key advantages distinct to S&T: an *Entrepreneurial Advantage* to translate knowledge into commercial applications that generate wealth for Canadians; a *Knowledge Advantage* to position Canada as a leader in generating new ideas and innovations; and a *People Advantage* to make Canada a magnet for highly skilled people and create an economy with the most highly educated, skilled and flexible workforce in the world. In addition, the government signalled its commitment to the Strategy by announcing $1.9 billion in Budget 2007 to support S&T initiatives. Industry Canada's ability to ensure the strategic allocation of resources on an ongoing basis demonstrates its contribution toward the strategic outcome of an innovative economy. See Section 2: Analysis of Program Activities by Strategic Outcome for more detail.

**Priority No. 3: Supporting the generation and commercialization of knowledge**

For Canada to live up to its innovation potential, it must continue to support the creation of knowledge, as well as support the transfer of scientific and technological advances made possible by university and government research in the private sector. In 2006–07, Industry Canada supported this priority by providing leadership, working with other government departments and undertaking new initiatives in the following diverse areas: manufacturing, government procurement, sustainable development, renewable energy, nanotechnology and biotechnology.

Furthermore, due to the work of Industry Canada in 2006–07, Budget 2007 announced continued support for the operation and development of CANARIE's advanced research network. Through a $120-million, five-year conditional grant to the not-for-profit corporation CANARIE Inc. (**www.canarie.ca**), researchers in Canadian universities, colleges, research institutes and government laboratories have the capacity to conduct collaborative research on a global basis in all fields of science that benefit Canadians. Industry Canada's ability to support the generation and commercialization of knowledge in an ongoing capacity demonstrates its contribution to the strategic outcome of an innovative economy. See Section 2: Analysis of Program Activities by Strategic Outcome for more detail.

**Priority No. 4: Implementing strategic frameworks for priority industrial sectors that have an important impact on the Canadian economy**

Industry Canada has pursued a variety of initiatives to help businesses remain competitive and ensure that Canadians acquire the skills that are highly valued by growing, innovative companies. In 2006–07, Industry Canada applied its expertise in the Canadian business landscape to enhance government decision making and industry development activities, and to help create conditions in which Canada can exploit its knowledge. For instance, Industry Canada provided leadership on a broad range of issues that affect the manufacturing sector; it also worked with stakeholders to address policy issues raised by the Canadian Manufacturing Coalition and other industry experts. The Department also led a manufacturing network to strengthen the government's capacity to analyze, review and improve public policy issues that affect Canada's manufacturing sector.

Furthermore, in 2006–07 Industry Canada helped coordinate and oversee federal government initiatives domestically and internationally in several sectors, such as the hydrogen and fuel cell sector, with an overall objective of achieving full-scale commercialization and increasing the exposure of Canadian businesses. Overall, Industry Canada's ability to meet this priority in an ongoing capacity demonstrates its progress toward contributing to competitive industry and sustainable communities. See Section 2: Analysis of Program Activities by Strategic Outcome for more detail.

## Priority No. 5: Working with Canadians to position them to take advantage of economic opportunities, support business development, provide long-term growth and promote sustainable development

Sustainable development, along with productivity, employment and income growth, is an integral part of growing a dynamic economy. As a proponent of sustainable development, Industry Canada has made efforts to increase awareness of corporate social responsibility (CSR) and sustainability practices among Canadian industry, institutions and communities.

In 2006–07, Industry Canada, through the activities of FedNor, continued to work with partners to help create an environment in which communities can thrive, businesses can grow and people can prosper. FedNor committed almost $6.5 million in 2006–07 to information communications technology (ICT) projects to ensure Northern Ontario's effective participation in the knowledge-based economy. In turn, these funds contributed to improved connectivity in Northern Ontario's rural communities and to the development of applications such as distance education, telehealth, e-business and web portals.

In addition, Industry Canada's BizPaL project supports the Government of Canada's objectives to reduce unnecessary paperwork and regulatory red tape, thereby working to maintain the competitiveness of Canadian businesses. The project has received various prestigious awards and has been recognized as a model of inter-jurisdictional cooperation and regulatory transformation. Budget 2006 provided $6 million over two years to accelerate the expansion of the BizPaL initiative.

Finally, in 2006–07 Industry Canada worked to broaden CSR awareness by improving the adoption of innovative sustainability tools and practices within Canadian industries. These practices help firms be more responsive to the social, environmental and economic needs of the communities in which they operate, assisting firms reduce risks while enhancing their brand value, reputation and bottom-line performance, thus maintaining or improving their competitiveness.

Industry Canada's ability to build capacity in key industrial sectors in an ongoing manner demonstrates its progress toward contributing to competitive industry and sustainable communities. See Section 2: Analysis of Program Activities by Strategic Outcome for more detail.

## Table 1.5: Alignment to Government of Canada Outcomes

| Industry Canada Program Activities | Industry Canada Strategic Outcomes | Alignment to Government of Canada Outcome Area |
|---|---|---|
| Policy Sector — Marketplace<br>Operations Sector — Marketplace<br>Spectrum, Information Technologies and Telecommunications (SITT) Sector — Marketplace<br>Office of Consumer Affairs<br>Competition Bureau<br>Canadian Intellectual Property Office | A fair, efficient and competitive marketplace | Economic affairs: a fair and secure marketplace |
| Policy Sector — S&T and Innovation<br>Industry Sector — S&T and Innovation<br>SITT Sector — S&T and Innovation<br>Communications Research Centre Canada<br>Technology Partnerships Canada | An innovative economy | Economic affairs: an innovative and knowledge-based economy |
| Policy Sector — Economic Development<br>Operations Sector — Economic Development<br>Industry Sector — Economic Development<br>SITT Sector — Economic Development | Competitive industry and sustainable communities | Economic affairs: strong economic growth |

As illustrated in Table 1.5, Industry Canada's program activities and strategic outcomes contribute to three of the Government of Canada's outcome areas under the spending area of economic affairs. Specific Industry Canada activities that contribute to these three Government of Canada outcome areas are detailed below.

**Government of Canada Outcome: Economic Affairs — A Fair and Secure Marketplace**

Program activities under Industry Canada's first strategic outcome support this Government of Canada outcome by:

- ensuring that effective and modern regulatory instruments are in place;
- managing public goods (i.e., radio frequency spectrum) in the public interest;
- maintaining reliable telecommunications networks and keeping them safe from criminal activity;
- informing consumers and businesses about fraudulent activities in the marketplace;
- promoting the efficient allocation of resources to encourage research;
- developing and commercializing new knowledge; and
- maintaining a modern intellectual property regime that encourages creativity and innovation.

### Government of Canada Outcome: Economic Affairs — An Innovative and Knowledge-Based Economy

Program activities under Industry Canada's second strategic outcome support this Government of Canada outcome by:

- undertaking research and development on technologies of importance to Canada;
- providing funding support for research and development in areas where Industry Canada cannot conduct the research itself;
- maintaining a knowledge of the Canadian business landscape and the commercialization environment and identifying future market opportunities; and
- encouraging sustainable development practices among Canadian businesses.

### Government of Canada Outcome: Economic Affairs — Strong Economic Growth

Program activities under Industry Canada's third strategic outcome support this Government of Canada outcome by:

- assessing investment proposals to ensure that they demonstrate a net benefit to Canada;
- developing legislation that removes restrictions on the movement of goods, services, persons and investments within Canada;
- working with other federal partners to improve Canada's access to foreign markets; and
- providing funding to communities and specific target groups, including youth, women and small businesses, to ensure that they have access to the necessary resources to thrive and prosper.

## Section 2:
## Analysis of Program Activities by Strategic Outcome

### 2.1 Strategic Outcome: A Fair, Efficient and Competitive Marketplace

The strategic outcome of a fair, efficient and competitive marketplace refers to a marketplace that protects the interests of businesses and consumers, imposes minimal regulatory burden, and fosters fair competition. This is important because a responsive and attractive Canadian market provides incentive for innovation and economic growth, and it supports individual Canadians. Industry Canada conducts a variety of activities to achieve this strategic outcome, such as improving marketplace programs and services, increasing education and awareness, and enhancing compliance and enforcement with marketplace rules and regulations. The Department also works to harmonize the regulatory system to reduce duplication and regulatory overlap.

More specifically, in 2006–07 Industry Canada's work to modernize marketplace frameworks was seen with the deregulation of the telecommunications industry. On April 4, 2007, the Minister of Industry announced that the Government of Canada was accelerating deregulation of local telephone services. This announcement came as a result of Industry Canada's efforts to emphasize the need for a competitive infrastructure within local telephone exchanges. Furthermore, due to the regulatory processes, frameworks and policy structures developed by the Department, Canada is one of the leading Organisation for Economic Co-operation and Development countries regarding its performance in the telecommunications sector.

In 2006–07, Industry Canada also made recommendations that led to amendments to the Patented Medicines (Notice of Compliance) Regulations under the *Patent Act*. These amendments were passed on October 5, 2006, making it easier for generic drug companies to predict when they may enter the market with a lower-cost version of a patented drug. This will accelerate market entry of generic drugs once relevant patents expire, providing firms with innovative new drugs with a minimum period of market exclusivity that is internationally competitive. Finally, in 2006–07, Industry Canada developed a renewed Spectrum Policy Framework for Canada, which is the policy foundation for the Canadian Spectrum Management Program.

The following section provides further detail on the ways in which Industry Canada contributes to a fair, efficient and competitive marketplace through the work of its program activities. Additional information can be found at **ic.gc.ca/epic/site/ic1.nsf/en/00291e.html**.

This strategic outcome is delivered through six program activities:

- Policy Sector — Marketplace
- Operations Sector — Marketplace
- Spectrum, Information Technologies and Telecommunications Sector — Marketplace
- Office of Consumer Affairs — Marketplace
- Competition Bureau — Marketplace
- Canadian Intellectual Property Office — Marketplace

# Analysis by Program Activity

## 2.1.1 Program Activity: Policy Sector — Marketplace

Policy Sector — Marketplace develops marketplace frameworks policy.

**Sub-Program Activities:** Policy Sector — Marketplace is delivered via five sub-program activities:

- Marketplace Framework Policy Branch
- Strategic Policy Branch
- Micro-Economic Policy Analysis Branch
- Small Business Policy Branch
- International and Intergovernmental Affairs

**Expected Result**

Development and coordination of policy frameworks that support a fair, efficient and competitive marketplace

Industry Canada measures progress toward this expected result, in part, through the following indicator:

| Indicator | Progress in 2006–07 |
|---|---|
| Tabled and approved legislative initiatives to improve Canada's broad marketplace frameworks (e.g., copyright, insolvency, intellectual property, competition policy) | • Amendments to the Patented Medicines (Notice of Compliance) Regulations under the *Patent Act*<br>• Amendment to Schedule I of the *Patent Act*<br>• Introduction of Bill C-47, *The Olympic and Paralympic Marks Act*, in the House of Commons<br>• Amendment to clarify the meaning of "eligible financial contract" in insolvency and financial sector legislation by regulation |

**Industry Canada committed to the following for 2006–07:**

- Continue to update marketplace frameworks and policies.
- Establish more predictable and stable rules for the protection of patents in high-knowledge industries.
- Promote the competitiveness and prosperity of small businesses by reducing their paperwork burden.

### Results Achieved

#### Marketplace Frameworks and Policies

In 2006–07, the Policy Sector, in partnership with other sectors, continued to undertake a number of initiatives to update marketplace frameworks and policies. These initiatives are detailed in the following:

- The Policy Sector developed recommendations that led to amendments to the Patented Medicines (Notice of Compliance) Regulations under the *Patent Act*. These amendments were passed on October 5, 2006, and make it easier for generic drug companies to predict when they may enter the market with a lower-cost version of an innovative, patented drug. This will accelerate the market entry of generic drugs once relevant patents expire. These amendments were passed jointly with another set of regulations sponsored by Health Canada, which will provide innovative new drugs with a minimum period of market exclusivity that is internationally competitive.

- The Policy Sector also brought forward an amendment to Schedule I of the *Patent Act*, which came into effect on September 21, 2006. The amendment added a triple-dose combination HIV-AIDS drug to the list of patented pharmaceutical products that are eligible to be exported to developing countries under Canada's Access to Medicines Regime (CAMR).
- Related to this, a consultation paper on CAMR was released by the Policy Sector in November 2006 to solicit comments as to how the regime can better deliver on Canada's commitment to improve access to less expensive medicines that are urgently needed in developing and least-developed countries, while respecting international trade obligations and maintaining the integrity of the domestic patent system. Approximately 30 submissions, mainly from members of the pharmaceutical industry, non-governmental organizations (NGOs), academia and parliamentarians were received following the report's release. These submissions have been posted on the CAMR website (**camr-rcam.hc-sc.gc.ca**). In the interim, the House of Commons Standing Committee on Industry, Science and Technology (INDU) decided to undertake a parallel study of CAMR. Policy Sector officials also participated in an NGO-organized workshop to hear directly from developing and least-developed countries about the barriers they face in importing drugs under CAMR. The Policy Sector has completed its review of all public input on CAMR and is working with other departments to prepare the report to be tabled in Parliament by the Minister of Industry, as required by the *Patent Act*.
- The Policy Sector also brought forward legislation that provides intellectual property rights protection for Olympic and Paralympic words and symbols. Bill C-47, *The Olympic and Paralympic Marks Act*, provides special, time-limited intellectual property protection for terms such as "Olympic Games," "Olympics," "Olympia" and "Canada 2010"; short phrases such as "Faster, Higher, Stronger" and "Spirit in Motion"; and images such as the Olympic rings and the Vancouver 2010 inukshuk logo (a traditional Inuit stone sculpture) in the lead-up to the Vancouver 2010 Winter Games. This bill was introduced in the House of Commons on March 2, 2007, and received royal assent on June 22, 2007. The legislation strengthens the exclusive rights of the Vancouver Organizing Committee for the 2010 Olympic and Paralympic Winter Games over these words and symbols, and improves the Organizing Committee's ability to negotiate sponsorship agreements with businesses interested in associating themselves with the 2010 Winter Games.
- Part 9 of *An Act to Implement Certain Provisions of the Budget*, which was tabled in Parliament on March 19, 2007, introduced amendments regarding "eligible financial contracts" (EFCs). These amendments were developed jointly with officials from the Department of Finance. EFCs are financial instruments used to hedge against risk, such as currency rate fluctuations. The amendments move the definition of EFCs from various pieces of legislation to their regulations so that they may be updated with relative ease as financial markets evolve. The amendments also allow parties the right to terminate an EFC in the event of an insolvency filing and to collect on their collateral. All of these reforms are designed to maintain a competitive Canadian market relative to the United States and the European Union and to ensure that holders of EFCs are not prejudiced by an insolvency filing. These amendments obtained royal assent after fiscal year 2006–07 had ended.

### Internal Trade

- In September 2006, the Committee of Federal-Provincial-Territorial Ministers responsible for Internal Trade agreed to implement a strategy to improve labour mobility so that by April 1, 2009, Canadians will be able to work and have their occupational qualifications recognized anywhere in Canada. The Minister of Industry is the federal government's representative on this committee, which is composed of federal, provincial and territorial ministers. The Policy Sector prepares the Minister in his efforts to eliminate barriers to internal trade at meetings of this committee.

- Policy Sector made recommendations to the Minister of Industry to advance progress toward an energy chapter for the Agreement on Internal Trade. At a meeting in September 2006 with the support of the Minister of Industry, provincial and territorial ministers responsible for internal trade agreed to complete this work.

**Small Business Competitiveness**

- The Policy Sector is also committed to improving the competitiveness of small businesses by measuring and reducing their paperwork burden. Activities in 2006–07 focused on measuring the compliance burden on businesses. Preliminary findings, however, demonstrate that progress toward this outcome has been slow. Industry Canada's Small Business Policy Branch published the first Survey Briefing for the Survey of Regulatory Compliance Costs in November 2006. Key findings included the fact that only a very small proportion of Canadian businesses (3 percent) perceive a decrease in the costs of complying with regulation, despite numerous efforts by governments to reduce the burden of paperwork. Most businesses also perceive an increased cost of complying with regulation, owing principally to the growing complexity of compliance. Industry Canada actively worked to reduce the cost of compliance through a number of initiatives to streamline client interaction, including e-filing, updating of rules and requirements, and simplifying forms.

| Policy Sector — Marketplace | 2006–07 | | |
|---|---|---|---|
| | Planned Spending and Resources | Total Authorities as Per Public Accounts | Actual Spending and Resources |
| Financial Resources | $9.0 million | $7.4 million | $6.2 million |
| Human Resources | 86 FTEs | — | 71 FTEs |

## 2.1.2 Program Activity: Operations Sector — Marketplace

Operations Sector — Marketplace is responsible for developing instruments and for compliance with the marketplace frameworks to foster competitive conditions that will attract investment, encourage innovation and protect the public interest.

**Sub-Program Activities:** Operations Sector — Marketplace is delivered via four sub-program activities:

- Regional Operations — Spectrum
- Measurement Canada
- Office of the Superintendent of Bankruptcy
- Corporations Canada

**Expected Result**

Marketplace fairness, integrity and efficiency are protected through regulation and promotion in the areas of insolvency, weights and measures, federal incorporation, and spectrum management.

Industry Canada measures progress toward this expected result, in part, through the following indicators:

| **Indicators** | **Progress in 2006–07** |
|---|---|
| Public confidence in the insolvency system | Level of Trustee Compliance<br>• 92.3 percent of summary estates files are not older than three years<br>• 60.2 percent of ordinary estates are not older than three years |
| Feedback from reviews of sectors where measurement forms the basis for financial transactions | Extensive stakeholder consultations with manufacturers, businesses, consumers and other government departments resulted in the establishment of consensus-based recommendations on how measurement accuracy should be achieved and monitored in the fisheries and forestry sectors. |
| Year-over-year level of federal incorporations | 21,247 new federal incorporations were issued under the *Canada Business Corporations Act* in 2006–07, an increase of 372 incorporations compared with 2005–06; 84 percent of these incorporations were completed online. |
| Year-over-year number of radiocommunications investigations conducted and/or resolved by the Regions | • 1,015 directed investigations, an increase of 215 compared with 2005–06<br>• 776 radiocommunications investigations, a decrease of 56 compared with 2005–06<br>(Note: Investigations are complaint-driven and are not instigated by the Department without cause.) |

**Industry Canada committed to the following for 2006–07:**

- Modernize its framework instruments and their operations through the work of marketplace service organizations (MSOs) (i.e., Measurement Canada, Corporations Canada, the Office of the Superintendent of Bankruptcy).
- Ensure that the marketplace is responsive to stakeholder needs.
- Be an active participant in the Government of Canada's effort to reduce the regulatory burden.
- The Office of the Superintendent of Bankruptcy was to complete another phase of its e-filing system.
- Corporations Canada was to prepare for a parliamentary review of the *Canada Business Corporations Act*.

### Results Achieved

- Operations Sector business units have ensured a fair, efficient and competitive marketplace in the areas of insolvency, federal incorporation, weights and measures, and spectrum management. They have done so through the use of new and existing key framework instruments such as regulations, legislation, policies and procedures.
- Departmental framework instruments and their operations have been modernized through the work of the MSOs. Several forms under the *Bankruptcy and Insolvency Act* were modified to facilitate electronic transactions in the solvency system. Corporations Canada streamlined the forms used to apply for amendments or revivals of a corporation governed by the *Canada Business Corporations Act* to reduce the number of rejected applications. Measurement Canada signed onto the International Organization for Legal Metrology's Mutual Acceptance Arrangement (MAA) concerning the approval of non-automatic weighing devices. By signing this MAA, Measurement Canada will now be able to accept test results from other countries when approving these devices for use in the Canadian marketplace. Additional results achieved by each of the MSOs are detailed in the following.

### Measurement Canada

- In 2006–07, Measurement Canada began the pre-consultation phase of a major legislative review of the *Weights and Measures Act* and the *Electricity and Gas Inspections Act*. Consultations will soon take place with various stakeholders, including manufacturers of measuring instruments, businesses, consumers, utilities and other key parties to obtain views on modifying the Acts.
- Following extensive consultations, stakeholder consensus-based recommendations on how measurement accuracy will be achieved and monitored in the fisheries and forestry sectors were developed and accepted by Measurement Canada. Implementation of the recommendations will commence in 2007–08.
- Measurement Canada proceeded with the implementation of modifications to program and service delivery (including the use of authorized service providers and mutual acceptance arrangements to facilitate the delivery of legislated services) to ensure continued marketplace measurement accuracy at reasonable cost. In 2006–07, 21 companies received authorization to perform inspections on behalf of Measurement Canada. As well, Measurement Canada signed an international mutual acceptance arrangement for non-automatic weighing devices and load cells.

### Corporations Canada

- Corporations Canada successfully implemented the change to the annual return filing period for corporations governed by the *Canada Business Corporations Act*, which came into effect July 1, 2006. To minimize confusion, Corporations Canada's communications strategy included developing an online annual return calculator. Many corporations found this very helpful in determining when to file their annual return.
- To increase compliance of federally incorporated businesses that file annual returns, Corporations Canada offered them the option of receiving a reminder notice by email. The response was positive, with over 40 percent of active corporations opting to do so. The initiative also increased online filings of the annual returns from less than 65 percent to almost 80 percent.
- Reliable and up-to-date information regarding corporations is important to the functioning of the marketplace. Corporations Canada plays a role by providing access to data it collects on federal corporations. Users of this data were surveyed. The results showed that 100 percent of respondents found the data to be reliable (83 percent felt it was highly reliable, and 17 percent found it to be reliable). The feedback validated Corporations Canada's efforts to ensure that the data collected is reliable and up to date.
- The Province of Saskatchewan has joined the provinces of Ontario, Nova Scotia, and Newfoundland and Labrador in participating in the Joint Online Registration Program (JORP). This program, originally proposed and established by Corporations Canada with three provincial partners as a government online initiative, allows Canadian businesses that have chosen to federally incorporate their companies online to meet the additional provincial business registration requirements (in any) of the participating provinces. Approximately 8,000 new corporations used JORP to meet their provincial filing requirement. To prepare for the parliamentary five-year review of the *Canada Business Corporations Act*, Corporations Canada conducted research and outlined a report on the provisions of the Act based on issues raised by stakeholders. Corporations Canada is ready to provide this information to Parliament when it begins the review.

### Office of the Superintendent of Bankruptcy

- The marketplace service organizations undertook a preliminary investigation of possible paperwork reduction opportunities, and Corporations Canada and the Office of the Superintendent of Bankruptcy Canada (OSB) participated in the pilot testing of a proposed accounting methodology.

- In January 2007, the OSB made its e-filing system mandatory for consumer bankruptcies and proposals. As of March 31, 2007, the percentage of trustees using the e-filing system was 97 percent, showing trustees are using the system fully. Building on the work completed to date as part of the organizational restructuring, the OSB continued to focus on moving to a proactive, risk-based approach for trustee and debtor compliance activities, improving client services, and improving outreach capacity to stakeholders, clients and partners. The OSB also continued to enhance compliance with, and enforcement of, marketplace rules and regulations by developing a Trustee Risk Assessment Module.

### Spectrum/Telecommunications

- Through the Spectrum/Telecom Program, Industry Canada's regional offices are responsible for ensuring that its clients, including Canadian citizens, private industry and public sector organizations, have access to a quality radio frequency spectrum within Canada's regulatory framework. To do so, regional program delivery focuses on three types of activities:
    - First, the regional offices provide clients with timely access to the radio frequency spectrum. In 2006–07, the Department approved 25,163 licensing requests, 97 percent of which were answered within established service standards. An increasing number of clients submitted their requests for radio authorizations using the Department's electronic services (**sd.ic.gc.ca**), which help clients access the radio frequency spectrum more quickly.
    - Second, the Department is responsible for ensuring compliance by users of the radio frequency spectrum with the *Radiocommunication Act* and *Radiocommunication Regulations*. Each year, Industry Canada's regional offices conduct a variety of radiocommunications investigations across the country. These investigations ensure compliance with legislation, regulations, policies and licence conditions, thereby ensuring a quality radio frequency spectrum for all our clients. In 2006–07, the regional offices conducted 776 investigations into complaints of harmful interference on licensed radiocommunications systems. The regional offices also completed a licence compliance survey that showed that 70 percent of stations that were inspected were in compliance with their authorized parameters.
    - Third, the regional offices influence the Department's regulatory framework by representing the needs of clients and by presenting regional perspectives in the development of spectrum policies and regulations. In 2006–07, Industry Canada's regional offices participated in the development of policy for installing radiocommunications and broadcast antenna structures, as well as the policy for the use of 700-MHz spectrum for public safety systems and to provide broadband Internet access to remote and rural communities.

| **Operations Sector — Marketplace** | **2006–07** | | |
|---|---|---|---|
| | **Planned Spending and Resources** | **Total Authorities as Per Public Accounts** | **Actual Spending and Resources** |
| Financial Resources | $87.0 million | $87.5 million | $86.5 million |
| Human Resources | 1,357 FTEs | — | 1,258 FTEs |

## 2.1.3 Program Activity: Spectrum, Information Technologies and Telecommunications Sector — Marketplace

Spectrum, Information Technologies and Telecommunications (SITT) Sector — Marketplace is responsible for developing regulations, policies, procedures and standards that govern Canada's spectrum and telecommunications industries and the digital economy. It ensures a modern telecommunications policy and regulatory framework, and effectively manages the radio frequency spectrum in the public interest to meet the communications needs of all Canadians and to encourage the adoption of enabling technologies across the economy.

**Sub-Program Activities:** SITT Sector — Marketplace is delivered via two sub-program activities:

- Spectrum/Telecom Program
- Electronic Commerce Branch

**Expected Result**

A policy and regulatory framework to govern Canada's radiocommunications and telecommunications infrastructure in support of Canadian marketplace requirements, and to shape the digital economy

Industry Canada measures progress toward this expected result, in part, through the following indicator:

| **Indicator** | **Progress in 2006–07** |
|---|---|
| Degree of client satisfaction in the Canadian marketplace with the current policy and regulatory framework | Continuing the renewal of legislation and the regulatory framework, including issuing the first-ever policy direction to the Canadian Radio-television and Telecommunications Commission (CRTC) under the *Telecommunications Act*. The policy direction to the CRTC requires it to rely on market forces to the maximum extent feasible. Overall, feedback from industry and media was positive. |

**Industry Canada committed to the following for 2006–07:**

- Publish a renewed Spectrum Policy Framework to oversee the Canadian Spectrum Management Program.
- Follow up on the Canadian Wireless Telecommunications Association's implementation plan for wireless number portability.
- Ensure that Canada is at the forefront in terms of new telecommunications services and equipment.
- Assess the impact of restrictions on foreign investment in telecommunications.
- Update the Department's antenna tower-siting procedures.
- Develop the government's telecommunications policy agenda.
- Ensure that Canadian communications networks are safe and secure.

## Results Achieved

### Spectrum Management

- One of Industry Canada's key objectives is to ensure that radio frequency spectrum — a finite public resource used by wireless carriers to provide a growing range of telecommunications services and for broadcasting, public security, emergency, and private and commercial uses — is managed in a fair, efficient and effective manner.
- The publication of a renewed Spectrum Policy Framework for Canada, which is the policy foundation for the Canadian Spectrum Management Program, was announced in late spring 2007. The new framework is a timely updating and modernization of the existing document that communicates the underlying principles that the Department and the Minister will rely upon in exercising their authority under the *Radiocommunication Act* to manage the radio frequency spectrum resource in Canada. The new framework will be streamlined, shortened, updated and reoriented to reflect current practices and current government policy.
- Industry Canada launched a licensing initiative in July 2006 to authorize the development of Canadian satellite communications services that will increase and improve broadcasting and telecommunications services to Canadian entrepreneurs and consumers. The consultations process was completed in January 2007, and the Department provided a recommendation to the Minister of Industry on the assignment of the licences in spring 2007.
- Another priority action in the area of spectrum management was the launch of a public consultation on a framework to auction spectrum in the 2-GHz range, including spectrum for advanced wireless services. The notice was published on February 24, 2007, in the *Canada Gazette*. This consultation is the first step in a process leading to an auction of spectrum licences, expected in early 2008. A total of 105 MHz of spectrum will be made available.

### Wireless Number Portability

- The availability of wireless number portability (WNP) in all major urban communities across the country was announced on March 14, 2007. WNP will enable wireless phone service subscribers to change service providers and keep their existing phone numbers. It will also allow consumers to move a phone number from a wireline phone to a wireless phone and vice versa.

### Antenna Siting

- The Department has reviewed the final report of the National Antenna Tower Policy Review and is in the process of drafting an update to its procedures. In finalizing these procedures, the Department is giving consideration to the report's recommendations as well as to the comments received through public consultation. The approval and implementation of the updated procedures will take place in the 2007–08 reporting period.

### Telecommunications Policy

- An assessment and analysis of the Telecommunications Policy Review Panel report proposal on foreign investment restrictions in the telecommunications sector was conducted by Industry Canada, leading to ministerial advice on this matter.
- The Department also has a key role in representing Canada's telecommunications and spectrum interests internationally. In fiscal year 2006–07, Industry Canada successfully achieved all of the Canadian objectives at the International Telecommunication Union (ITU) Plenipotentiary Conference. The Canadian objectives were developed in consultation with Canadian industry and other government departments, and achieved through skilful negotiation at the conference. Canadian objectives included:
    - the re-election of Canada to the ITU Governing Council;

  - the election of a Canadian candidate to the Radio Regulations Board, giving Canada influence over the adjudication of issues and disputes concerning the *Radiocommunication Regulations*;
  - securing an agreement on a range of measures to make the ITU's budgeting and management functions more effective and transparent; and
  - the successful adoption of Canadian views on issues guiding the work of the ITU and its sectors for the next four years, including preparations for the 2007 World Radiocommunication Conference and Radiocommunication Assembly.

- Industry Canada also plays an important role in shaping the digital economy. Industry Canada develops effective legal and policy frameworks that promote the growth of the online marketplace in Canada and the conduct of e-commerce and e-business across all sectors of the economy. According to recent Statistics Canada data (Survey of Electronic Commerce and Technology in Canada — SECT, 2006), growth in the value of online sales averaged 50 percent a year since 2001. The value of the Canadian online market in 2006 was approximately $50 billion. These results demonstrate that the Department's work in this area — including effective privacy policies, cooperation with the private sector in dealing with spam and related threats through the Task Force on Spam, and support for emerging e-business platforms — has been effective in promoting the growth of the online marketplace.

### Communications Security

- In support of shaping the digital economy, Industry Canada also works with its partners to improve confidence in the marketplace by protecting individual privacy and curbing threats to the Internet and online markets. Key actions led by the Department in 2006–07 included:
  - Initiating the mandatory review of the *Personal Information Protection and Electronic Documents Act* (PIPEDA). The Department made representations to the parliamentary committee reviewing PIPEDA. PIPEDA sets rules for the collection, use and disclosure of personal information used for commercial purposes, requiring organizations to take measures to protect the privacy of Canadians when handling personal data.
  - The development of the Stop Spam Alliance, an international association of policy and regulatory bodies that have agreed to work together to strengthen laws and enforcement cooperation to deal with spam and related threats to the Internet and the online marketplace. The Alliance and other forms of trans-border cooperation will help to make domestic laws and policies in Canada and other countries more effective in addressing the problem of spam.

| **SITT Sector — Marketplace** | **2006–07** | | |
|---|---|---|---|
| | **Planned Spending and Resources** | **Total Authorities as Per Public Accounts** | **Actual Spending and Resources** |
| Financial Resources | $59.9 million | $68.9 million | $67.0 million |
| Human Resources | 375 FTEs | — | 342 FTEs |

## 2.1.4 Program Activity: Office of Consumer Affairs — Marketplace

The Office of Consumer Affairs (OCA) plays a role in developing policies and non-regulatory instruments for consumer protection and in conducting consumer research, through working with other departments and governments, consumer organizations, industry and academia.

**Sub-Program Activities:** OCA's program activity is delivered via two sub-program activities:

- Consumer Policy
- Consumer Information and Coordination

**Expected Result**

Strengthened responses to consumer issues

Industry Canada measures progress toward this expected result, in part, through the following indicator:

| Indicator | Progress in 2006–07 |
|---|---|
| Number of initiatives responding to consumer issues with active engagement of the OCA | 30 initiatives responding to consumer issues with active engagement of the OCA |

**Industry Canada committed to the following for 2006–07:**

- Explore appropriate responses to the rapid growth of the payday lending industry and the issue of identity theft.
- Explore the following areas of internal policy research: virtual consumers, sustainable consumption and vulnerable consumers.
- Continue to seek cost-effective non-regulatory approaches to address consumer marketplace issues such as standards, guides and codes of conduct.
- Continue to enhance its consumer information website and its major tools to make it as effective as possible.
- Address the recommendations from an evaluation in 2004–05 regarding the Management of the Contributions Program for Non-Profit Consumer and Voluntary Organizations.

### Results Achieved

**Payday Lending and Identity Theft**

- The OCA worked on intergovernmental projects to address common concerns regarding payday lending, identity theft and credit reporting. A joint identity theft consumer information campaign directed at law enforcement agencies was undertaken whereby over 20,000 copies of *Identity Theft: A Checklist* were distributed across Canada. This publication is available at **www.cmcweb.ca**.
- Regarding payday lending, Bill C-26, *An Act to amend the Criminal Code (criminal interest rate)*, received royal assent in May 2007. The amendments include specific provisions to address payday lending and enable provinces and territories to set limits on the cost of borrowing and regulate the business practices of payday lenders within their jurisdictions. The Act is the culmination of several years of collaborative work among the Department of Justice, the OCA, and provincial and territorial governments.

## Internal Policy Research

- The OCA has focused its internal policy research on vulnerable, virtual and sustainable consumers. Internal research on vulnerable consumers focused on consumer debt trends in Canada and supports continuing federal-provincial-territorial policy work on the alternative consumer credit market. Internal research on the virtual consumer was published in the 2006 fall publication of the *Consumer Trends Update*, available on the OCA's home website. The publication's research article "The Expansion of Cellphone Services" details the important consumer cellphone services market. Finally, OCA policy analysts initiated a broad scan of federal policies that affect sustainable consumption choices by Canadians; this work will continue into the next fiscal year and will support domestic and international policy development in this area.

## Consumer Issues and Information

- The OCA continued to enhance and add to its array of consumer information tools. The 2007 edition of the *Canadian Consumer Handbook* was released and included new consumer information specifically tailored for seniors and youth. This publication is available at **www.cmcweb.ca**. The OCA also released *Cellphone Choices for Canadians: A Checklist*, and *Cellphone Choices for Canadians: A Guide*. These publications are available online and in print. Online resources operated by OCA were enhanced to improve the ease with which consumers can find useful information from a variety of governmental and non-governmental sources. Navigation was improved between the OCA home site and the multi-partner **www.ConsumerInformation.ca** site, which provides integrated access to federal, provincial, territorial and non-governmental organization sources of consumer information.
- One of the main tools on the partnering site, the Complaint Courier, was updated to improve its performance for consumers and to add additional complaint types to reflect emerging consumer issues. During 2006–07, the number of visitors to the OCA's websites averaged 66,875 per month. Compared with the previous fiscal year, there was a 67-percent increase in the number of visitors to the Canadian Consumer Information Gateway site alone. The OCA also developed and implemented successful strategies for reaching a greater number of consumers in a cost-efficient manner through the media, with particular emphasis on disseminating cellphone advice and tips for preventing identity theft. A direct mail campaign to 1,750 police stations across Canada was undertaken, which resulted in the distribution of more than 30,000 identity theft checklists. Media stories prompted the distribution of more than 35,000 copies of the cellphone checklist.

## Contributions Program

- OCA's Contributions Program provides consumer and voluntary organizations with the means to produce high-quality and timely research on consumer issues that affect the marketplace. Improvements to the program resulting from the 2004–05 evaluation include greater transparency in the selection process, improved assessment procedures in project proposals to ensure greater consistency and comparability in assessment outcomes, and better access to project summaries via OCA's online Consumer Policy Research Database.
- During 2006–07, the Contributions Program funded 30 research projects designed to help advance knowledge on current and emerging consumer issues and to assist in consumer policy development that affects a wide range of issues, such as consumer laws and their application, consumers and the environment, consumer issues in the Far North, and the readability of food labels. Information on these projects can be found on the OCA website.
- Under the Contributions Program, four organizations applied for and received funding to improve their capacity to carry out consumer research and raise consumer issues in various public policy and media forums. The funding allowed an environmental organization to incorporate sustainable consumption into their organizational focus; helped a coalition of

consumer groups develop common, joint-action policy projects; improved Internet access to, and increased circulation for, an independent consumer magazine; and allowed a consumer organization to revise and improve its business and marketing plan.

| Office of Consumer Affairs — Marketplace | 2006–07 | | |
|---|---|---|---|
| | Planned Spending and Resources | Total Authorities as Per Public Accounts | Actual Spending and Resources |
| Financial Resources | $5.6 million | $6.0 million | $5.9 million |
| Human Resources | 23 FTEs | — | 23 FTEs |

## 2.1.5 Program Activity: Competition Bureau — Marketplace

The Competition Bureau is responsible for ensuring development of, and compliance with, marketplace frameworks with respect to competition.

**Sub-Program Activities:** Competition Bureau — Marketplace is delivered via three sub-program activities:

- Enforcement
- Framework Policy and Advocacy
- Services

**Expected Result**

Compliance with legislation under the Competition Bureau's jurisdiction

Industry Canada measures progress toward this expected result, in part, through the following indicator:

| Indicator | Progress in 2006–07 |
|---|---|
| Extent to which target groups comply with legislation under the Bureau's jurisdiction | The Fair Business Practices Branch identified more than 150 potentially problematic websites that promote bogus and misleading diabetes schemes. Notices were sent to the most problematic sites, and of the Canadian firms contacted, 80 percent have complied by removing misleading claims. |

**Industry Canada committed to the following for 2006–07:**

- Contribute to policy development.
- Be a competition advocate in the telecommunications and health sectors.
- Continue to work on modernizing the *Competition Act*.
- Combat fraudulent mass marketing, including telemarketing fraud and deceptive mass mail.
- Promote fraud awareness among consumers and businesses.
- Pursue enforcement action when businesses do not respond to the Bureau's concerns.
- Fight domestic and international cartels.
- Review mergers and acquisitions.

## Results Achieved

### Policy Development

- In 2006–07, the deregulation of the telecommunications industry was one of the Competition Bureau's top priorities. The Bureau provided analysis and advice regarding some key government policy decisions and documents that were released during the fiscal year. These include:
    - the Telecom Policy Review Panel's report (**www.telecomreview.ca/epic/site/tprp-gecrt.nsf/en/h_rx00054e.html**);
    - the Minister's Policy Direction calling for greater reliance on market forces (**www.ic.gc.ca/cmb/welcomeic.nsf/558d636590992942852564880052155b/85256a5d006b97208525718c0059d6a9!OpenDocument**);
    - the Minister's Order varying the CRTC's forbearance decision (**www.ic.gc.ca/cmb/welcomeic.nsf/558d636590992942852564880052155b/85256a5d006b972085257241007482f7!OpenDocument**);
    - the introduction of Bill C-41, which allowed for monetary penalties to be brought against firms that abused their dominance in the telecommunications sector; and
    - the House of Commons Standing Committee on Industry, Science and Technology's (INDU's) study on the deregulation of the telecommunications sector.
- For each of the above initiatives, the Bureau provided competition analysis and advice regarding policy issues, either through public consultations or within the Department. The Bureau's input is reflected in the government's final policy decisions.
- To ease the transition for participants in the telecommunications industry from regulation to reliance on market forces and oversight under the *Competition Act*, the Bureau released a draft bulletin (**www.competitionbureau.gc.ca/internet/index.cfm?itemID=2195&lg=e**) on its approach to the enforcement of the abuse of dominance provisions in the telecom sector. The bulletin was developed through a joint CRTC/Bureau working group and included comments received from industry stakeholders. In addition, the Bureau provided comments to the CRTC on the competition issues raised in its ongoing proceedings to review the regulatory framework for wholesale telecommunications services and the definition of essential facilities. The Bureau will continue to share its competition analysis and economic expertise with the CRTC throughout the remainder of this important public proceeding.

### Competition Advocacy

- As a result of the Bureau's advocacy in the health sector and with self-regulated professions, the Government of Alberta passed a new regulation that removed the requirement for dental hygienists to work under the supervision of a dentist. As a result, dental hygienists in Alberta will now be free to offer a number of services, including scaling and root planing, directly to clients. The new regulation allows dental hygienists and dentists to compete in the provision of dental hygiene services. The ability of dental hygienists to self-initiate, or provide services autonomously, without being restricted by their competitors, will likely increase access to dental hygiene services and decrease prices for Albertans. For more information visit **www.competitionbureau.gc.ca/internet/index.cfm?itemID=2225&lg=e**.

**Fraud Prevention and Awareness**

- As Chair of the Fraud Prevention Forum, the Competition Bureau works closely with more than 75 public and private partners to raise awareness of the dangers of fraud, and to educate the public on how to "recognize it, report it and stop it." During Fraud Prevention Month, the Bureau provided consumers with information on many fraudulent activities they should be aware of, including bogus weight-loss schemes, cure-all products, products that claim amazing health effects, phoney employment opportunities and fake office supply scams.

**Competition Enforcement**

- Promoting fair and accurate information in the marketplace is an ongoing priority of the Bureau. In pursuit of this priority, a key accomplishment of the Bureau in 2006–07 was to register a consent agreement stating that Canadian clothing manufacturer Grafton-Fraser Inc. had violated a provision of the *Competition Act*. Through an investigation, the Bureau concluded that Grafton-Fraser had significantly inflated the regular price of certain garments sold in its stores, resulting in an overstatement of consumer savings when these garments were on sale. For more information, visit **www.competitionbureau.gc.ca/internet/index.cfm?itemID=2147&lg=e**.
- The Bureau has transferred resources to its regional offices across Canada to fight domestic cartels closer to the scenes of the crimes. It is building its investigative skills, establishing strong local contacts and raising awareness. Over the past year alone, the regional offices conducted 50 seminars on how to prevent and detect bid-rigging.
- Although there are no redeeming pro-competitive virtues associated with cartels, the situation is significantly more nuanced with respect to reviewing mergers. The Bureau always seeks to find the balance between guarding against anti-competitive mergers and imposing undue burdens on the positive transactions. The Bureau published several technical backgrounders and bulletins in 2006–07 to facilitate business decisions and ensure transparency and predictability with the business community.

| Competition Bureau — Marketplace | 2006–07 | | |
|---|---|---|---|
| | Planned Spending and Resources | Total Authorities as Per Public Accounts | Actual Spending and Resources |
| Financial Resources | $48.1 million | $49.3 million | $42.1 million |
| Human Resources | 406 FTEs | — | 399 FTEs |

## 2.1.6 Program Activity: Canadian Intellectual Property Office — Marketplace

The Canadian Intellectual Property Office (CIPO), a special operating agency, is responsible for administering Canada's system of intellectual property (IP) rights, namely patents, trademarks, copyrights, industrial designs and integrated circuit topographies. In addition to granting and registering IP rights, CIPO disseminates information related to these rights to business, educational institutions and Canadians in general. It operates under a revolving fund regime and aims to accelerate Canada's economic development.

**Expected Result**

Delivery of quality and timely intellectual property products and services, and increase awareness and use of intellectual property

Industry Canada measures progress toward this expected result, in part, through the following indicators:

| Indicators | Progress in 2006–07 |
|---|---|
| Turnaround times for: | |
| • Patents | • 77 percent of applications with a request for examination processed in less than 27 months |
| • Trademarks | • Processed within 5.5 months of filing date |
| • Industrial design | • Processed within 11.1 months of receipt of application |
| • Copyrights | • Processed within 2.3 days of receipt of application |
| Percentage of increased awareness and use of intellectual property (small and medium-sized enterprises segment) | 36 percent are familiar with intellectual property (baseline) |

**Industry Canada committed to the following for 2006–07:**

- Undertake further modernization of the intellectual property regime to encourage creativity and innovation and to promote affordable access to new knowledge for Canadians.

### Results Achieved

#### Modernization of the Intellectual Property Regime

- In 2006–07, CIPO put forward proposed amendments to five intellectual property regulations to ensure that Canada's intellectual property regime is more user-friendly, cost-effective and responsive to the needs of Canadian universities and businesses. The main purpose of the regulatory changes was to clarify the patent regime for small entities (i.e., entities employing 50 or fewer employees, or a university) while providing a relief mechanism for regular-sized entities that mistakenly pay fees at the small entity level. The amendments also improved the intellectual property regime by simplifying procedures and reducing processing times and costs, in keeping with the legislative principles of Smart Regulation and the Paperwork Burden Reduction Initiative. These amendments come into force in 2007–08.

### Additional Achievements

#### Service Improvement

In 2006–07, CIPO continued to focus on three main service improvement areas identified in CIPO's 2005 National Client Survey: communications, accessibility and turnaround times. Achievements in these three areas are detailed below:

- CIPO expanded corporate vehicles for communicating with clients and stakeholders, including adding a new client service page to its website and providing regular electronic news updates to keep clients informed of new initiative and service enhancements. The news updates provide valuable information to clients, as demonstrated by a significant increase in the number of subscribers to CIPO's newsletter.
- To improve accessibility, CIPO implemented a toll-free number to improve services to clients across Canada. CIPO also improved access to its services by expanding the information holdings and functionality of its website with the goal of making more services available online 24/7.

- In the patents and industrial design areas, continued progress was made in reducing turnaround times and inventory levels. Recruitment and training are ongoing strategies to attain shorter turnaround times in all intellectual property areas. Efforts to deliver quality and timely intellectual property rights serve a key role in enhancing Canada's climate of innovation.

| Canadian Intellectual Property Office — Marketplace | 2006–07 | | |
|---|---|---|---|
| | Planned Spending and Resources | Total Authorities as Per Public Accounts | Actual Spending and Resources |
| Financial Resources | ($7.7 million)* | $88.7 million | ($28.5 million)* |
| Human Resources | 951 FTEs | — | 897 FTEs |

* For more detail on CIPO's financial information, see Section 3, Table 3: Voted and Statutory Items on page 64 and Table 7: Canadian Intellectual Property Office Revolving Fund on page 68.

## 2.2 Strategic Outcome: An Innovative Economy

The strategic outcome of an innovative economy refers to the development of an economy that ensures global competitiveness by supporting the creation of knowledge and the effective translation of this knowledge into new products and processes. This is vital, since an enhanced quality of life, better-paying jobs and the capacity to support social goals require an innovative and competitive economy. In today's knowledge-based economy, innovation is a key driving force for the creation of wealth and economic growth for Canadians. Industry Canada conducts a variety of activities to contribute to this strategic outcome, such as promoting the development, application and diffusion of new technologies, and assisting in harnessing the social and economic benefits of research and development.

More specifically, in fiscal year 2006–07 Industry Canada was responsible for bringing forward several policy initiatives that promote research and development in key innovation areas, including commercialization, health sciences, the environment and many more. Industry Canada championed for and successfully ensured that money was included in Budget 2007 for these initiatives. The Government of Canada also developed a science and technology (S&T) strategy — *Mobilizing Science and Technology to Canada's Advantage* — which highlights the importance of S&T to Canada and provides a framework to guide federal government decision making in support of S&T over the coming years. The S&T Strategy aims to strengthen Canada's position as an innovation leader by creating a business environment that is conducive to innovation, while sustaining Canada's research excellence. Furthermore, Industry Canada has been actively engaged in the development of Canada's hydrogen and fuel cell industry and completed a comprehensive national hydrogen and fuel cell framework, which offers a long-term vision for sector commercialization and outlines clear sector opportunities and priorities.

Additional accomplishments in 2006–07 include renewed support for the operation and development of CANARIE's advanced research network — Canada's not-for-profit advanced Internet development organization — in order to promote further progress in Canada's intelligent systems and advanced robotic industries. In 2006–07, Industry Canada also concluded a major demonstration of an experimental tactical communications network that highlights new capabilities that are possible with the use of advanced wireless and network technologies. Such demonstration projects allow other departments, such as the Department of National Defence, to make better-informed decisions regarding communications-related procurements.

The following section provides further detail on the ways in which Industry Canada is contributing to an innovative economy. Additional information can be found online at **ic.gc.ca/epic/site/ic1.nsf/en/00291e.html#5.2.2**.

This strategic outcome is delivered through five program activities:

- Policy Sector — S&T and Innovation
- Industry Sector — S&T and Innovation
- Spectrum, Information Technologies and Telecommunications Sector — S&T and Innovation
- Communications Research Centre Canada — S&T and Innovation
- Technology Partnerships Canada — S&T and Innovation

## Analysis by Program Activity

### 2.2.1 Program Activity: Policy Sector — Science and Technology and Innovation

Innovation, science and technology (S&T) are key drivers of economic growth that support the long-term productivity and competitiveness of the Canadian economy. S&T also underpins the government's ability to address public policy issues that matter to Canadians, such as health care, the environment and sustainable energy.

**Sub-Program Activities:** Policy Sector — S&T and Innovation is delivered via four sub-program activities and six sub-sub-program activities:

- Advisory Council on Science and Technology Secretariat
- Strategic Policy Branch
- Micro-Economic Policy Analysis Branch
- Innovation Policy Branch
    - Canadian Institute for Advanced Research
    - Pierre Elliott Trudeau Foundation
    - Canada Foundation for Innovation
    - Canada-Israel Industrial Research and Development Foundation (this program has been moved to Foreign Affairs and International Trade Canada)
    - Council of Canadian Academies
    - Pilot Fund for the Commercialization of University and Federal Lab Research

**Expected Result**

Development and coordination of policy frameworks in support of an innovative economy

Industry Canada measures progress toward this expected result, in part, through the following indicator:

| Indicator | Progress in 2006–07 |
|---|---|
| Policy proposals that are brought forward to reinforce the elements that advance an innovative economy and reflect a coordinated approach based on tools available across the sector | The Policy Sector brought forward several proposals to advance an innovative economy and championed their inclusion in the budget. Budget 2007 invested approximately $1.9 billion in S&T, including the following:<br>• $195 million over the next two years to support Centres of Excellence in Commercialization and Research that will position Canada as a global leader in priority research areas<br>• $85 million per year through the federal granting councils for research targeted on key priorities: health sciences, natural resources and energy, the environment, information and communications technologies and management, business, and finance<br>• $510 million to the Canada Foundation for Innovation to enable it to undertake another major competition before 2010 (it is anticipated that $70 million will be provided to institutions in 2008–09)<br>• $100 million in 2006–07 to Genome Canada to sustain funding for the regional genome centres and related technology platforms, extend promising research projects and support Canada's participation in strategic international research collaborations |

**Industry Canada committed to the following for 2006–07:**

- Develop an S&T Strategy that will encompass a broad range of government support for research.
- Continue to conduct research and analysis on the issues of interest to Canadian small businesses.
- Undertake a review of the accountability and value for money of the granting councils' activities.

## Results Achieved

### S&T Strategy

- In 2006–07, the Government of Canada developed its S&T Strategy — *Mobilizing Science and Technology to Canada's Advantage* — which highlights the importance of S&T to Canada and provides a framework to guide federal government decision making in support of S&T over the coming years. The S&T Strategy will aim to strengthen Canada's position as an innovation leader by creating a business environment that is conducive to innovation while sustaining Canada's research excellence.
- To achieve this goal, the Strategy sets out three key advantages distinct to S&T: an *Entrepreneurial Advantage* to translate knowledge into commercial applications that generate wealth for Canadians; a *Knowledge Advantage* to position Canada as a leader in generating new ideas and innovations; and a *People Advantage* to make Canada a magnet for highly skilled people and create an economy with the best educated, most skilled and most flexible workforce in the world. The government signalled its commitment to the S&T Strategy by announcing $1.9 billion in new resources in Budget 2007 to support S&T initiatives.

### Research and Analysis

- Research undertaken during 2006–07 included case studies of research and development (R&D) and commercialization that highlighted the challenges of collaborative innovation efforts such as attracting key personnel and financing and anticipating customer needs. Research and stakeholder analysis were also conducted on the supply of risk capital in Canada. This identified a number of challenges, including tax barriers that impede access to sources of foreign capital by Canadian firms. This work supported the government's commitment to update the Canada-U.S. Tax Treaty to remove barriers. The research has also provided an indication of the magnitude of Canadian informal investment, and explored reasons for Canada's relatively low returns on risk capital investments.

### Review of Granting Councils

- In September 2006, pursuant to a commitment in the May 2006 Budget, Industry Canada commissioned a review of Canada's research granting councils. Its focus was on two of the councils — the Social Sciences and Humanities Research Council (SSHRC) and the Natural Sciences and Engineering Research Council (NSERC). The Canadian Institutes of Health Research (CIHR) was not included, however, as CIHR recently went through a statutory five-year review by an international panel of experts. A key finding of the evaluation was that the research funded by SSHRC and NSERC represents an essential and increasingly important contribution to almost every dimension of Canada's national life, and notably to the growth of an internationally competitive economy and a strong, diverse society.

| Policy Sector — S&T and Innovation | 2006–07 | | |
|---|---|---|---|
| | Planned Spending and Resources | Total Authorities as Per Public Accounts | Actual Spending and Resources |
| Financial Resources | $46.2 million | $11.5 million | $10.6 million |
| Human Resources | 76 FTEs | — | 83 FTEs |

## 2.2.2 Program Activity: Industry Sector — Science and Technology and Innovation

Canada's prosperity depends increasingly on its ability to put knowledge to work. As the centre of analysis and knowledge on industrial sectors, the Industry Sector applies its expertise in the Canadian business landscape to enhance government decision making and industry development activities, and to help create conditions in which Canada exploits its knowledge. Several activities were undertaken in 2006–07 to create conditions leading to increased R&D and innovation, thereby enhancing Canada's knowledge advantage.

**Sub-Program Activities:** Industry Sector — Science and Technology and Innovation is delivered via eight sub-program activities and two sub-sub-program activities:

- Manufacturing Industries Branch
- Energy and Environmental Industries Branch
    - Hydrogen Economy
- Service Industries Branch
- Aerospace, Defence and Marine Branch
- Life Sciences Branch
    - Genome Canada
- Industrial Analysis and Sector Services Branch
- Automotive and Industrial Materials Branch
- Canadian Biotechnology Secretariat

**Expected Result**

A stronger knowledge-based economy in all industrial sectors

Industry Canada measures progress toward this expected result, in part, through the following indicator:

| Indicator | Progress in 2006–07 |
|---|---|
| R&D expenditures by industry in selected manufacturing and service sectors | All industries' Business Expenditure on Research and Development (BERD): $14.85 billion for 2006, up 1.3 percent over 2005 |

**Industry Canada committed to the following for 2006–07:**

- Enhance the research and analytic capabilities of the Department in order to identify challenges and opportunities that affect the manufacturing sector.
- Review the Industrial and Regional Benefits Policy and other initiatives to improve federal government procurement decisions.
- Deliver on the Government of Canada's sustainable development commitments with the development of Sustainable Development Strategy IV.

- Complete development of Technology Roadmaps.
- Examine the most appropriate role for Genome Canada and other agencies in providing support for genomics research.
- Ensure that the renewable energy sector has continued opportunities for development.
- Ensure that the federal government's commercialization strategy reflects the interests of Canadian Industry.

## Results Achieved

### Manufacturing

- The Industry Sector provided leadership on a broad range of issues that affect the manufacturing sector, and worked with stakeholders to address policy issues raised by the Canadian Manufacturing Coalition, Canadian Manufacturers & Exporters and other industry experts. The Sector also developed indicators of manufacturing performance as well as information on sustainable manufacturing practices, and led a manufacturing network that brought together organizations from across the federal government to strengthen the Government of Canada's capacity to analyze, review and improve public policy on issues that affect Canada's manufacturing sector.
- In 2006–07, Industry Sector promoted the adoption of lean and sustainable manufacturing principles and practices through its Internet-based *Canadian Resource Guide to High Performance Manufacturing* (**strategis.ic.gc.ca/epic/internet/incrghpm-gcrpfhp.nsf/en/h_at00000e.html**) and through its outreach activities. The Sector partnered with Environment Canada and the National Research Council to pilot test a "lean and clean" workshop, aimed at training lean practitioners and advocates. The Industry Sector also initiated the development of a review of lean performance metrics to benchmark operational excellence and best practices.
- To increase industry awareness of sustainable manufacturing practices, the Industry Sector published a workbook, *Going for the Green: A Manufacturer's Guide to Lean and Green*, which was developed by a Canadian expert on sustainable practices in cooperation with Environment Canada.

### Government Procurement

- The Sector continued to assess, on an ongoing basis, the Industrial and Regional Benefits (IRBs) Policy, to ensure that it adapts to changes in the marketplace. For additional information, visit **strategis.ic.gc.ca/irb**.
- The Industry Sector enhanced the economic benefits to Canada of federal procurement decisions in areas of strategic industrial interest, such as the aerospace, defence and marine industries. IRBs enable innovations to come to market and enhance the competitiveness of Canadian firms by providing opportunities in contractor supply chains. Unprecedented levels of IRBs will apply on the "Canada First" defence procurements that the government announced in areas such as the Medium Support Vehicle System Project (logistics trucks), medium- to heavy-lift helicopters, joint-support ships, and tactical and strategic air lift.
- The Industry Sector also worked with Public Works and Government Services Canada (PWGSC) through 2006–07 on several procurement-related initiatives, including co-sponsoring a workshop on small and medium-sized enterprises (SMEs), innovation and public procurement. The workshop brought together departmental representatives involved in promoting innovation and PWGSC staff, and focused on the procurement process and, specifically, SMEs in that process. Next steps include engaging several industry sectors in further workshops to better understand their concerns over, and perspective on, procurement and innovation.

## Sustainable Development Strategy IV

- Industry Canada, along with 30 federal departments and agencies, tabled its fourth Sustainable Development Strategy (SDS IV) in Parliament on December 13, 2006. A number of activities contributed to the development of SDS IV, including an internal issues scan, an external issues scan, a mid-term evaluation of SDS III (completed) and public consultations.
- SDS IV outlines Industry Canada's sustainable development priorities for 2006–2009 in order to achieve the following strategic outcomes: sustainability-driven technologies and commercialization; sustainability tools, practices, research and awareness; and sustainability practices and operations within Industry Canada. Industry Canada's SDS IV supports a competitive Canadian economy by positioning the Department as a leader in supporting sustainable development technologies and practices for businesses and consumers. To access Industry Canada's SDS IV, visit **strategis.gc.ca/sd**.

## Technology Roadmaps

- Industry Sector has achieved an internationally recognized level of expertise in the development of Technology Roadmaps (TRMs), with 26 completed to date. TRMs are strategic tools through which sectors can determine their technology and skills priorities 5 to 10 years into the future. They also help identify collaborative R&D arrangements that are critical to the long-term competitiveness of Canadian industries.
- In partnership with private industry, the Sector developed or was involved in the development of five TRMs in 2006–07: aluminum transformation, the biopharmaceutical industry, the welding and joining industry, the language industry, and carbon dioxide capture and storage. For more information on TRMs, visit **www.strategis.ic.gc.ca/trm**.
- Through the interdepartmental Technology Roadmap Working Group, the Sector led strategic planning activities for sectoral competitiveness. The Sector also signed a Memorandum of Understanding with Human Resources and Social Development Canada (HRSDC), with a key deliverable being TRMs done with HRSDC's sector councils. This linkage of technology and skills improves both the productivity and competitiveness of Canadian companies.

## Genome Canada

- A genomics review process was launched to examine the most appropriate role for Genome Canada and other agencies in providing support for genomics research. Budget 2005 committed to strengthening the environment for research in Canada by providing Genome Canada (**www.genomecanada.ca**) with an additional $165 million for research in genomics. With this investment, Genome Canada launched a third competition, resulting in funding for 33 innovative research projects and sophisticated S&T platforms across Canada in key areas such as agriculture, environment, fisheries, forestry and health.

## Renewable Energy

- The Industry Sector increased the exposure of Canadian capabilities in renewable energy sectors to domestic and international stakeholders by completing the first phase of a wind power technology transfer study. The goal was to identify firms and support the development of wind energy supply chains within Canada. The Sector also supported an international networking session on investment attraction at the Canadian Wind Energy Association's annual conference. The Industry Sector is actively engaged in the development of the hydrogen and fuel cell industry in Canada and completed a comprehensive national hydrogen and fuel cell framework, which offers a long-term vision for sector commercialization and outlines clear sector opportunities and priorities.

### Commercialization

- Ensuring that Canada turns knowledge into commercial success is an important goal that the Sector strives to achieve by providing advice and bringing more new technologies and products to the marketplace to benefit all Canadians. The Sector has helped coordinate and oversee federal government initiatives domestically and internationally in the hydrogen and fuel cell sector with an overall objective of achieving full-scale commercialization.

**Additional Achievements**

### Biotechnology

- The Industry Sector has focused on Canadian challenges and opportunities for biotechnology companies in the health sector and in the development and use of biotechnology (bio-products and processes) in new and traditional industries. The Sector has also made efforts to establish ongoing capacities within the Industry Portfolio and with other federal programs to better coordinate existing commercialization programs.
- Through efforts within Industry Canada, and work with the Organisation for Economic Co-operation and Development, the Sector has helped to better benchmark Canada's capacity to develop and use innovative biotechnology-derived human health products, as well as contribute to the identification and development of international best practices and mechanisms to deliver the health and economic benefits of these products. With federal, provincial and industry partners, the Sector has been able to identify the conditions and opportunities for encouraging greater uptake of biotechnology in other sectors, such as agriculture, forest, chemical and energy.

### Nanotechnology

- The Industry Sector helped facilitate the promotion and adoption of nanotechnology through targeted activities, the development of an inventory of companies that are actively engaged in the nanotechnology area, and the development of an inventory of products within Canada that are manufactured using nanotechnology. This work is designed to identify the levels of activity currently undertaken in Canada and aid efforts to support the commercialization of particular research. This has been accomplished through partnerships with provincial and federal government departments and with regional groups such as NanoQuébec and the National Institute of Nanotechnology.

| Industry Sector — S&T and Innovation | 2006–07 | | |
|---|---|---|---|
| | Planned Spending and Resources | Total Authorities as Per Public Accounts | Actual Spending and Resources |
| Financial Resources | $19.4 million | $5.0 million | $4.9 million |
| Human Resources | 100 FTEs | — | 129 FTEs |

## 2.2.3 Program Activity: Spectrum, Information Technologies and Telecommunications Sector — Science and Technology and Innovation

Spectrum, Information Technologies and Telecommunications (SITT) Sector — Science and Technology (S&T) and Innovation supports advanced and applied research within the Canadian Information and Communications Technology Sector for the development of innovative technologies.

**Sub-Program Activities:** SITT Sector — S&T and Innovation is delivered via one sub-program activity and two sub-sub-program activities:

- Information and Communications Technologies Branch
  - CANARIE
  - Precarn

**Expected Result**

Improved research capacity and commercialization of information and communication technologies (ICTs)

Industry Canada measures progress toward this expected result, in part, through the following indicator:

| Indicator | Progress in 2006–07 |
|---|---|
| Accessibility to advanced research across Canada | • CANARIE's advanced research network is a public good, providing essential network infrastructure that makes it possible for universities and labs across Canada to carry out research in all fields of science that benefits Canadians in areas such as physics, life sciences and the environment.<br>• Precarn supports market-driven ICT project innovations in the areas of intelligent systems technologies and robotics. |

**Industry Canada committed to the following for 2006–07:**

Through the provision of funding:

- Enable the Canadian research community to pursue advanced research across Canada and around the world.
- Promote further progress in Canada's intelligent systems and advanced robotics industries.

## Results Achieved

### Advanced Research

- As announced in Budget 2007, Industry Canada was successful in renewing support for the operation and development of CANARIE's advanced research network. Industry Canada is responsible for administering the $120-million, five-year conditional grant to the not-for-profit corporation, CANARIE Inc. (**www.canarie.ca**). Through this essential network infrastructure, researchers in Canadian universities, colleges, research institutes and government laboratories have the capacity to conduct collaborative research on a global basis in all fields of science that benefits Canadians in areas such as physics, life sciences and the environment.

### Intelligent Systems and Advanced Robotics

- Precarn Inc. (**www.precarn.ca**) is a national, not-for-profit, industry-led consortium that supports pre-competitive R&D projects in the fields of intelligent systems and advanced robotics. To promote further progress in Canada's intelligent systems and advanced robotic industries, Precarn received a five-year, $20-million conditional grant for Phase 4 of its program in 2005–06. In 2006–07, Precarn funded 21 projects across the country (total funding of $4.4 million). Industry Canada is responsible for administering the funding agreement with Precarn Inc.

| SITT Sector — S&T and Innovation | 2006–07 | | |
|---|---|---|---|
| | Planned Spending and Resources | Total Authorities as Per Public Accounts | Actual Spending and Resources |
| Financial Resources | $2.9 million | $25.4 million | $24.1 million |
| Human Resources | 4 FTEs | — | 4 FTEs |

## 2.2.4 Program Activity: Communications Research Centre Canada — Science and Technology and Innovation

Communications Research Centre Canada (CRC) is the federal government's centre of excellence for R&D in telecommunications. As part of its mandate, CRC is an independent source of technical advice for public policy decisions and regulations (e.g., spectrum management and telecom policy); a contributor to telecommunications standards; a technology supporter of public health, safety and environmental and defence needs; and an enabler of economic and social development. CRC conducts research on advanced telecommunications and information technologies to ensure an independent source of advice for public policy, and to support the development of new products and services for the ICT Sector.

**Sub-Program Activities:** CRC is delivered via three sub-program activities:

- CRC — Wireless and Photonics Research
- CRC — Defence and R&D
- CRC — Research Support

**Expected Results**

Develop and maintain a high level of expertise and knowledge in technologies of importance to the Canadian telecommunications sector

Excellence in government and industrial client support through R&D and advice

Industry Canada measures progress toward these expected results, in part, through the following indicators:

| Indicators | Progress in 2006–07 |
|---|---|
| Number of scientific publications (published and presented) | Journal papers: 93<br>Conference presentations: 155<br>Technical memoranda: 18 |
| Number of patents | Active patents in CRC portfolio: 237<br>• New patent applications in fiscal year 2006–07: 18<br>• New patents granted in fiscal year 2006–07: 8 |
| Number of research partnerships | Total active collaborative agreements in place with industry: 33 (10 new in fiscal year 2006–07)<br>Total active collaborative agreements in place with university or government: 45 (7 new in fiscal year 2006–07) |
| Contracted R&D | Contracting-in agreements: 58 (48 new in fiscal year 2006–07)<br>• Revenue: $1.15 million |
| Number of intellectual property licences | Intellectual property licences: 401 (42 new)<br>• Revenue: $1.16 million |

**Industry Canada committed to the following in 2006–07:**

- Perform R&D on communications technologies of significance to Canada, including radio, satellite, broadcasting and fibre optics.
- Undertake R&D and program delivery on a cost-recovery basis for key partners, such as the Department of National Defence and the Canadian Space Agency.
- Work with key partners to develop standards to facilitate the efficient delivery of telecommunications and broadcasting.
- Provide strategic advice as well as direct assistance for the development of policy, regulations and standards in the telecommunications sector.
- Provide independent, technical advice relating to spectrum management, communications policy and regulatory decision-making applications.

## Results Achieved

### Research and Development

- During 2006–07, CRC continued to conduct R&D on communications technologies of significant importance to Canada, including radio, satellite, broadcasting and fibre optics. This resulted in the publication of 248 external scientific and technical publications, 18 new patent applications, 42 new licences for companies to use CRC technology, and 48 new contracting-in arrangements.

- In support of the Department of National Defence, CRC carried out research projects in 2006–07 valued at $5.3 million on a cost-recovery basis. During the past year, CRC concluded a major demonstration of an experimental tactical communications network that highlighted new capabilities that are possible with the use of advanced wireless and network technologies. Such demonstration projects allow National Defence to make better-informed decisions regarding communications-related procurements to support ongoing and future operational requirements.

### Telecommunications and Broadcasting

- In order to help extend access of broadband data networks to all Canadians, especially in underserved rural areas, CRC continued its work in 2006–07 with the Institute of Electrical and Electronics Engineers to develop a cognitive radio standard that would allow wireless broadband services to be delivered over unused TV channels in sparsely populated areas. Recent progress in this area has resulted in convincing the Federal Communications Commission in the United States that this technology can be implemented without negatively affecting current television band incumbents. This is an important step toward approval of an international standard in 2008, which in turn will allow volume (and therefore lower-cost) production of broadband access equipment for the user community.

- CRC also collaborated with the Canadian Space Agency in 2006–07 to expand broadband Internet in Nunavut and the Northwest Territories. High-frequency ground terminals linked to the Anik F2 satellite were installed in Pond Inlet and Arviat as part of CRC's Satellite Multimedia Applications Research and Trials (SMART) Program. This program demonstrates the feasibility and benefits of providing broadband satellite communications services such as Internet access and video conferencing to Northern Canada so that local government agencies and the private sector can make decisions on future deployments.

- Following eight years of research and development, in November 2006 CRC launched a new development tool kit for Software Defined Radio (SDR), a product that can accommodate any communications protocol and frequency band by simply downloading the appropriate software on the selected radio hardware. This new development tool kit will speed the adoption of SDR in civilian markets, including the space, avionics, automobile, public safety and consumer electronics markets. SDR offers many significant benefits; for example, it would enable paramedics, police, firefighters and other emergency personnel to quickly reconfigure their radios to a common communications protocol in order to interconnect and communicate in a crisis situation.

| Communications Research Centre Canada — S&T and Innovation | 2006–07 | | |
|---|---|---|---|
| | **Planned Spending and Resources** | **Total Authorities as Per Public Accounts** | **Actual Spending and Resources** |
| Financial Resources | $44.1 million | $54.7 million | $50.6 million |
| Human Resources | 412 FTEs | — | 385 FTEs |

## 2.2.5 Program Activity: Technology Partnerships Canada — Science and Technology and Innovation

Technology Partnerships Canada (TPC) provides funding support for strategic research, development and demonstration projects that produce economic, social and environmental benefits to Canadians. On December 31, 2006, TPC's terms and conditions ended, and the program closed its doors to applications. Although Industry Canada has stopped entering into TPC contribution agreements, the Department will continue to manage TPC's $3.5-billion portfolio for the next 27 years.

**Sub-Program Activities:** Technology Partnerships Canada — Science and Technology and Innovation program activity is delivered via two sub-program activities:

- TPC — Research and Development Support Program
- TPC — Hydrogen Early Adopters (h2EA) Program

**Expected Result**

Commercialization encouraged through strategic partnering in innovative research and development

Industry Canada measures progress toward this expected result, in part, through the following indicator:

| Indicator | Progress in 2006–07 |
|---|---|
| Total number of projects (which represents the number of strategic partnerships) | • During 2006–07, TPC contracted a total of 20 projects valued at $497.2 million.<br>• Nine projects valued at $416.4 million were contracted in the area of aerospace and defence, six projects valued at $34.9 million were contracted in the area of enabling technologies, and five projects valued at $45.9 million were contracted in environmental technologies. |

**Industry Canada committed to the following for 2006–07:**

- The Program for Strategic Industrial Projects (PSIP) will contribute to the achievement of Canada's objectives of increasing economic growth, creating jobs and wealth and supporting sustainable development.

## Results Achieved

### Program for Strategic Industrial Projects

- TPC investments helped partner companies leverage new and increased investment on a ratio of close to $4 per $1 invested by TPC. TPC's repayable contributions assisted Canadians in developing new technologies and innovation, as well as increasing our knowledge base. TPC's total cumulative repayments as of March 31, 2007, amounted to more than $224.2 million.
- The TPC portfolio will be managed by the Industrial Technologies Office (ITO). ITO will administer the TPC legacy portfolio, the Hydrogen Early Adopters (h2EA) Program and the Program for Strategic Industrial Projects (PSIP), along with a new program, the Strategic Aerospace and Defence Initiative (SADI), which was launched on April 2, 2007. PSIP continues to manage existing projects and is in negotiation with other potential investment projects in the automotive sector.
- The goal of the h2EA program was to foster the development of hydrogen and hydrogen-compatible technologies, such as fuel cells and those used to produce, store and distribute hydrogen. The h2EA program did not contract any new projects during 2006–07 and is no longer accepting new applications for funding. The program will sunset on March 31, 2008.

| **Technology Partnerships Canada — S&T and Innovation** | **2006–07** | | |
|---|---|---|---|
| | **Planned Spending and Resources** | **Total Authorities as Per Public Accounts** | **Actual Spending and Resources** |
| Financial Resources | $510 million | $459.8 million | $409.9 million |
| Human Resources | 142 FTEs | — | 100 FTEs |

## 2.3 Strategic Outcome: Competitive Industry and Sustainable Communities

The strategic outcome of competitive industry and sustainable communities refers to developing Canadian industry that can compete globally for resources and customers, and provide Canadian communities with the skills and resources that will ensure their success. The ability of Canadian industries to compete globally is especially important given that Canada is a trading nation. Furthermore, because many Canadians live in rural and northern communities, it is essential that these people have access to the same opportunities as people living in larger cities. Industry Canada conducts a variety of activities to achieve this strategic outcome, such as articulating the interests of Canadian businesses in international trade negotiations, developing policies that will reduce the administrative burden on businesses, and delivering programs to specific community groups to develop the skills that are required to compete in today's marketplace.

More specifically, in 2006–07, Industry Canada worked with other departments to influence Canada's trade agenda. Industry Canada helped ensure that the interests of Canadian businesses were represented in multilateral trade forums such as the ongoing Doha Round of multilateral trade negotiations at the World Trade Organization, as well as regional trade talks with the European Free Trade Association and with South Korea.

Industry Canada also continued to deliver a number of programs and services in 2006–07 with the goal of helping small and medium-sized businesses manage their regulatory and paperwork burden. Initiatives such as Canada Business, a multi-channel government information service for businesses and start-up entrepreneurs, and BizPaL, an online service that simplifies the business permit and licence process, both continued to expand their reach and services in 2006–07. The response from clients of these programs has been extremely positive.

Industry Canada recognizes that sustainable communities are better positioned to grow. Industry Canada continued to support community development in 2006–07 by delivering significant funding through FedNor, thus supporting Northern Ontario's participation in the knowledge-based economy.

The following section provides further detail on the ways in which Industry Canada is contributing to competitive industry and sustainable communities through the work of its program activities. Additional information on the programs and initiatives mentioned in the following can be found online at **ic.gc.ca/epic/site/ic1.nsf/en/00291e.html#5.2.3**.

This strategic outcome is delivered through four program activities:

- Policy Sector — Economic Development
- Operations Sector — Economic Development
- Industry Sector — Economic Development
- Spectrum, Information Technologies and Telecommunications Sector — Economic Development

# Analysis by Program Activity

## 2.3.1 Program Activity: Policy Sector — Economic Development

Policy Sector — Economic Development is responsible for the development of industry and international business policy.

**Sub-Program Activities:** Policy Sector — Economic Development is delivered via four sub-program activities and one sub-sub-program activity:

- International and Intergovernmental Affairs
- Strategic Policy Branch
    - Sustainable Development Strategy
- Micro-Economic Policy Analysis Branch
- Small Business Policy Branch

**Expected Result**

Development and coordination of policy frameworks in support of competitive industry and sustainable communities

Industry Canada measures progress toward this expected result, in part, through the following indicator:

| Indicator | Progress in 2006–07 |
|---|---|
| Ongoing policy and program oversight and development is advanced with a view to enhancing industry competitiveness | Provided ongoing policy and program oversight and development, as demonstrated by results for individual programs |

**Industry Canada committed to the following for 2006–07:**

- Develop and coordinate policy frameworks.
- Promote sustainable development both within and outside the Department.
- Coordinate and encourage other federal departments to make progress on trade initiatives.
- Ensure that investment proposals by non-Canadians demonstrate a net benefit to Canada.
- Conduct research and analysis in order to address the financing needs of small and medium-sized enterprises.
- Lead the prosperity agenda of the Security and Prosperity Partnership of North America.

### Results Achieved

#### Policy Development and Coordination

- The Policy Sector has worked to advance programs that support the Department's legislated mandate. Initiatives stemming from economic and policy research and proposals submitted by the administrators of existing programs must be presented in a clear, succinct way. Proposals have demonstrated not only that they fill gaps, such as those created by a changing marketplace or international pressures, but also that they have addressed issues in the most efficient and effective way. The Policy Sector provided advice, guidance and recommendations to partners developing these proposals. Some proposals were reviewed, assessed and considered in anticipation of putting them forward for possible inclusion in government budgets and fiscal updates.

### Sustainable Development

- Industry Canada is a proponent of sustainable development and has made efforts to increase awareness of corporate social responsibility (CSR) and sustainability practices among Canadian industry, institutions and communities. The Department worked to broaden CSR information and awareness by supporting and participating in the National Roundtables on Corporate Social Responsibility and the Canadian Extractive Industries Operating in Developing Countries hosted by Foreign Affairs and International Trade Canada; the National Round Table on the Environment and the Economy on Capital Markets and Sustainability; and the National CSR Conference hosted by the Conference Board of Canada. All these activities served to improve the knowledge capacity as well as the promotion of innovative sustainability tools and practices within Canadian industries. Using these practices can help firms become more responsive to the social, environmental and economic needs of the communities in which they operate. These practices can also help firms reduce business risks and enhance their brand value, reputation and bottom-line performance. In addition, the Policy Sector has worked to integrate sustainability principles into the decision making of the Department by providing sustainable development training and awareness-raising seminars, and renewing the strategic environmental assessment guidance for departmental policies, plans and programs.

### Trade Policy

- The Policy Sector continued to develop and articulate departmental positions on a wide range of trade policy issues that affect Industry Canada. In 2006–07, the Policy Sector directly supported Canada's international trade agenda in a number of ways:
    - by providing advice on industrial issues to Foreign Affairs and International Trade Canada and other departments, including Finance Canada, Health Canada, Environment Canada and Natural Resources Canada;
    - through its participation in trade talks under the mandate of the Doha Round of multilateral trade negotiations at the World Trade Organization; and
    - by negotiating trade and investment issues that affect Industry Canada and Canadian industrial sectors on a regional basis with partners such as the European Free Trade Association, and bilaterally in the context of free-trade negotiations with South Korea and investment negotiations with Peru.
- Furthermore, the Policy Sector provided advice to Industry Canada officials on the consistency of funding for projects under Technology Partnerships Canada and the Structured Financing Facility with international trade rules such as the World Trade Organization's Agreement on Subsidies and Countervailing Measures.

### Investment Review

- The Investment Review Division (IRD) of Industry Canada continued to administer the *Investment Canada Act* in 2006–07 to ensure that investment proposals submitted by non-Canadians demonstrate a net benefit to Canada. A total of 39 applications were approved by the Minister of Industry subsequent to the review process undertaken by IRD. Also, 30 post-implementation reviews were concluded to ensure that investors' commitments were fulfilled.

### Research and Analysis

- Research undertaken by the Sector in 2006–07 included case studies of R&D and commercialization that highlighted the challenges of collaborative innovation efforts, such as attracting key personnel and financing, and anticipating customer needs. Research and stakeholder analysis were also conducted on the supply of risk capital in Canada. This identified a number of challenges, including tax barriers impeding access to sources of foreign capital by Canadian firms. This work supported the government's commitment to update the Canada-U.S. Tax Treaty to remove barriers. The research has also provided an indication of the magnitude of Canadian informal investment and explored reasons for Canada's relatively low returns on risk capital investments.

- Industry Canada officials have worked closely with the Business Development Bank of Canada (BDC) to ensure that its activities remain consistent with its public policy mandate and the government's agenda, and directed the commissioning of an independent report entitled "Analysis of BDC Venture Capital Activities and Strategies," an assessment of BDC's venture capital strategy and activities and its role in the Canadian marketplace. The report's findings have been, and will continue to be, used to refine BDC's strategies with respect to its venture capital activities.
- The program of research and analysis on the financing issues confronting small and medium-sized enterprises (SMEs) continued in 2006–07. Five research reports on various aspects of financing of SME exporters and a number of financing profiles were completed and disseminated to small business stakeholders. The research improved Industry Canada's understanding of the financing needs of SMEs by revealing that it is more difficult for early-stage SME exporters to obtain commercial loans than it is for established firms. This information is available through the Financing Data Initiative (FDI) website at **www.sme-fdi.gc.ca**.
- The activities of the Policy Sector are supported by the economic analysis provided by its Micro-Economic Policy Analysis Branch (MEPA). MEPA's research and analysis contributes to building the knowledge base required for sound micro-economic policies aimed at supporting a strong Canadian economy and a high standard of living for Canadians. During 2006–07, MEPA held several major workshops and conferences on various current and emerging economic issues such as productivity, the international mobility of highly skilled workers, and industrial competitiveness. In addition, it completed and commissioned numerous research papers on a variety of micro-economic issues. These workshops, conferences and research papers provide the foundation for the policy advice the Department provides for modernizing Canada's marketplace frameworks in support of a highly competitive economy. Furthermore, these activities assist in the dissemination of research findings and contribute to an informed public debate on key micro-economic policy issues, such as productivity, commercialization, investment and innovation. Published research papers and research volumes can be viewed on the Industry Canada website Strategis at **strategis.ic.gc.ca/epic/site/eas-aes.nsf/en/h_ra01874e.html**.

### Prosperity Agenda

- In 2006–07, the Government of Canada hosted a trilateral Security and Prosperity Partnership (SPP) ministerial meeting. With its launch in March 2005, the SPP has provided a framework to improve North American competitiveness and ensure that citizens benefit from high standards of health, safety and joint stewardship of the environment. The meeting, which took place on February 23, 2007, facilitated discussions among SPP stakeholders and built consensus toward new priorities and next steps on key SPP issues. The meeting established a forward agenda leading to the upcoming leaders' summit with the Prime Minister of Canada and the presidents of the United States and Mexico, to be hosted by Canada in August 2007.

| Policy Sector — Economic Development | 2006–07 | | |
|---|---|---|---|
| | Planned Spending and Resources | Total Authorities as Per Public Accounts | Actual Spending and Resources |
| Financial Resources | $11.5 million | $14.0 million | $12.2 million |
| Human Resources | 82 FTEs | — | 84 FTEs |

## 2.3.2 Program Activity: Operations Sector — Economic Development

The Operations Sector — Economic Development is responsible for delivering programs, information and intelligence on investment and technology opportunities to the business community. The Sector provides a multi-channel, common entry point for business on behalf of the Government of Canada, and encourages client-centred service delivery and design.

**Sub-Program Activities:** The Operations Sector — Economic Development is delivered via nine sub-program activities and three sub-sub-program activities:

- Canada Small Business Financing Program (CSBF)
- FedNor
    - Community Futures Program
    - Northern Ontario Development Program
    - Eastern Ontario Development Program
- Sectoral Strategies and Services Branch / Canada-Ontario Infrastructure Program (COIP)
- Aboriginal Business Canada (ABC; transferred to Indian and Northern Affairs as of December 2006)
- Regional Delivery
- Section 41, *Official Languages Act*
- Service to Business: Strategy and Innovation
- Canada Business — National Secretariat
- Student Connections

**Expected Result**

Improved access to capital and information for SMEs and communities targeted by Operations Sector programs

Industry Canada measures progress toward this expected result, in part, through the following indicators:

| Indicators | Progress in 2006–07 |
|---|---|
| Number of loans — year-over-year — registered through the CSBF Program | Loans Registered by Fiscal Year<br>2006–07: 9,621<br>2005–06: 10,840<br>2004–05: 11,143 |
| Number of SMEs — year-over-year — created or strengthened through FedNor and ABC | 3,652 SMEs created or strengthened by FedNor through the Community Futures Development Corporation investment fund, an increase of 381 from 2005–06<br>ABC transferred to Indian and Northern Affairs, effective December 1, 2006 |
| Percentage of Ontario population that has benefited from investments made under COIP | 83 percent |
| Percentage of official-language minority communities (OLMCs) that have benefited from investments made under the Section 41 program | A 2004–05 report verified that investments are proportional to the demographic weight of OLMCs. A study to update these results is under way. |
| Increase in number of SMEs served through Canada Business service centres (service usage) | • 237,915 clients were served using assisted channels (i.e., telephone calls, in-person visits, email, mail and fax), an increase of 1.1 percent over 2005–06<br>• 5.5 million Internet visits to Canada Business Network websites (not including British Columbia) |

**Industry Canada committed to the following for 2006–07:**

- Work with partners to help create an environment, in which communities can thrive, businesses can grow, and people can prosper in rural and Northern Ontario.
- Canada Business to expand its content syndication pilot project.
- Support the Government of Canada in realizing the objectives of its Paperwork Burden Reduction Initiative and Smart Regulations through BizPaL.
- Provide e-business and Internet training to SMEs.
- Continue to provide services tailored to the needs of businesswomen.
- Fulfill Industry Canada's responsibilities under the *Environmental Assessment Act*.

## Results Achieved

### Business and Community Development

- In 2006–07, FedNor committed $68 million to businesses and community organizations, which leveraged more than $72 million in additional funds from other sources. Combined, these funds supported business development and long-term economic growth in rural and Northern Ontario.
- To ensure Northern Ontario's effective participation in the knowledge-based economy, FedNor committed almost $6.5 million in 2006–07 to ICT projects, including the development of applications such as distance education, telehealth, and e-business and web portals. These activities are helping rural and Northern Ontario residents overcome distance barriers to ensure competitive businesses and sustainable communities.
- FedNor also committed more than $3.5 million through its Youth Internship Program to support 135 internships, providing recent graduates with valuable work experience that could lead to permanent employment in Northern Ontario. Of the interns employed through the program since 1998, 70 percent are still working in Northern Ontario, helping the region to retain and develop highly qualified people who contribute to competitive businesses and sustainable communities.
- Through the Community Futures Program, FedNor also continued to support a network of 61 Community Futures Development Corporations (CFDCs) in Ontario, which provided support to SMEs through strategic community planning and implementation, repayable financing for local businesses, and a variety of business services for SMEs. During 2006–07, rural business communities were enhanced through a total investment of more than $56 million through CFDC lending activities, leveraging more than $101 million from other sources and helping create or maintain 3,652 jobs.
- FedNor also delivered the Eastern Ontario Development Program, designed to promote socio-economic development in rural Eastern Ontario. In 2006–07, $10 million was committed through the region's 15 CFDCs in five priority areas: business and community development, skills development, access to capital, retention and attraction of youth, and technological enhancements. These investments helped build local capacity for development and create the conditions for increased business and employment opportunities.

### Assisting Canadian Businesses

- Industry Canada amended regulations for the Canada Small Business Financing Program, based on stakeholders' comments. The goal was to reduce the administrative burden on lenders and to bring the program in line with current lending practices. A research agenda has also been implemented to begin preparations for the 2009 statutory comprehensive review. A review of the Capital Leasing Pilot Project concluded that the vast majority of Canada small business capital leasing needs are being met in the marketplace without government assistance. Following the review, Industry Canada decided not to extend the pilot project or make capital leasing permanent.

- Canada Business, a multi-channel government information service for businesses and start-up entrepreneurs in Canada, continued to offer business clients access to key information and services through their preferred channel. Canada Business implemented client-centric design and development processes to ensure continual improvements to all of its online information and applications, which is a key principal of the service delivery strategy. There were 5.5 million visits to the Canada Business website in 2006–07. Canada Business handled approximately 237,915 telephone, in-person and email contacts with Canadian entrepreneurs during 2006–07, an increase of 1.1 percent over the previous year.
- Canada Business conducted its first national client satisfaction survey encompassing the 13 service centres across Canada. Results showed a high degree of support for the service: 83 percent of clients expressed satisfaction with the overall quality of service, 81 percent expressed satisfaction with service delivery and 91 percent of surveyed clients experienced no problems with all aspects of the service. The survey confirms that Canada Business supports business development and responds to the particular challenges and opportunities facing SMEs.
- In 2006–07, Canada Business also added five new pilot content syndication partnerships and expanded the scope of content. This increased the reach and accessibility of Canada Business information and services to a wider range of businesses in a cost-effective manner by directly rendering relevant information to partners' websites.
- A partnership among Canada Business, the Canada-Ontario Business Service Centre and the Network for Women Entrepreneurs was honoured with a Gold Award at the Public Sector Quality Fair in Toronto. The award recognized the highly effective and low-cost, client-centric delivery of information, through syndication, from Canada Business directly to the Network for Women Entrepreneurs' new website.
- In 2006–07, BizPaL, an online service that simplifies the business permit and licence process for entrepreneurs, governments and third-party business service providers, continued to expand. It was made available in five provinces and 20 municipalities. The service continued to receive recognition and won several prestigious awards, including the Diamond Award of Excellence, Best of Show, from the Canadian Information Productivity Awards program, which recognizes excellence in information technology and innovative implementation.

### Student Connections

- Fiscal year 2006–07 marked the 10th anniversary of Student Connections, and the program celebrated a milestone with more than 200,000 clients trained. Over the past decade, more than 6,400 youth have gained valuable work experience by participating in Student Connections, and have learned first-hand about the challenges and opportunities of entrepreneurship faced by small and medium-sized businesses. In 2006–07 alone, Student Connections (**www.studentconnections.ca**) provided e-business and Internet training to more than 16,600 clients, exceeding its target by more than 10 percent.

### Environmental Assessment

- Industry Canada continued to fulfill its responsibilities under the *Environmental Assessment Act* by completing 158 project screenings and initiating four comprehensive studies of projects delivered by the Canada-Ontario Municipal Rural Infrastructure Fund, and the Canada-Ontario Infrastructure Program.

### Services for Women Entrepreneurs

- The Network for Women Entrepreneurs (NWE), delivered by Industry Canada through the Canada-Ontario Business Service Centre, provides women entrepreneurs in Ontario with access to business information and services. Through the continual enhancement of the information available through its website, NWE saw its web traffic increase from 7,646 visits and 6,256 unique visitors in 2005–06 to 53,757 visits and 48,113 unique visitors in 2006–07. In addition, by building on existing resources and working with local partners, NWE presented 10 learning events across the province and participated in 28 trade shows and networking events. Feedback from hosting organizations and participants has been extremely positive.

**Additional Achievements**

- Regional offices provided logistical and briefing support in 2006–07 for over 95 events and announcements involving the Minister, the Secretary of State (Small Business and Tourism), other federal ministers, and departmental senior management. In 2006, the regional offices also provided on-the-ground support to a cross-country series of ministerial round tables with senior representatives from research, industry, labour and education examining the issues of commercialization, prosperity, and a science and technology strategy.

| Operations Sector — Economic Development | 2006–07 | | |
|---|---|---|---|
| | Planned Spending and Resources | Total Authorities as Per Public Accounts | Actual Spending and Resources |
| Financial Resources | $349.4 million | $353.1 million | $352.8 million |
| Human Resources | 465 FTEs | — | 328 FTEs |

### 2.3.3 Program Activity: Industry Sector — Economic Development

In support of continuous economic growth and a high quality of life for Canadians in the future, the Industry Sector led several initiatives to help Canadian firms move up the value chain by becoming more competitive both domestically and globally. The following was undertaken by the Sector in 2006–07 to support the global reach and agility of Canadian firms in the marketplace.

**Sub-Program Activities:** The Industry Sector — Economic Development is delivered via seven sub-program activities and four sub-sub-program activities:

- Manufacturing Industries Branch
    - Canadian Apparel and Textile Industries Program
- Energy and Environmental Industries Branch
    - Border Air Quality Strategy
- Service Industries Branch
    - Language Industry Initiative (LII)
- Aerospace, Defence and Marine Branch
    - Structured Financing Facility (SFF)
- Life Sciences Branch
- Industrial Analysis and Sector Services Branch
- Automotive and Industrial Materials Branch

**Expected Result**

More firms capable of competing in global markets

Industry Canada measures progress toward this expected result, in part, through the following indicators:

| Indicators | Progress in 2006–07 |
|---|---|
| Dollar value of exports | • $525.6 billion<br>• 1.1-percent growth |
| Number of Canadian firms in the export market as a proportion of all firms in operation in Canada | • 2.00 percent of Canadian firms exported a physical good in 2005, up from 1.96 percent in 2004 |
| Dollar value of investments (domestic and foreign) | • Canadian direct investment abroad:<br>  • $523.3 billion<br>  • 13.8-percent growth<br>• Foreign direct investment:<br>  • $448.9 billion<br>  • 10.1-percent growth |

**Industry Canada committed to the following for 2006–07:**

- Build on several initiatives to deepen understanding of developments in global value chains and their economic implications for Canada and continue to ensure that policy initiatives reflect the realities of today's global supply chains.
- Continue to assess trade policy initiatives to determine potential challenges and opportunities for Canadian firms and to strengthen the Department's ability to analyze industrial trade issues.
- Advance the Smart Regulation Implementation Strategy and lead a program of policy research and evidence-based analysis of regulatory initiatives aimed at promoting regulatory efficiency.
- Continue to strengthen the position of Canadian businesses with foreign markets.

## Results Achieved

### Global Value Chains

- The Industry Sector expanded its expertise in global value chains (GVCs) through economic and policy research initiatives, such as the Policy Research Data Group feasibility project, logistics and supply chain management key performance indicators initiative, sectoral case studies in various industries (automotive and apparel), as well as analysis of appropriate metrics to assess Canada's involvement in GVCs.
- The Sector also began identifying policy implications of GVCs through various analytical decks and building an outreach strategy to engage other government departments and stakeholders, as well as represent the Department of Industry at the Organisation for Economic Co-operation and Development committee and working group meetings.

### Trade

- In order to advance Canada's trade policy agenda, the Industry Sector contributed to Free Trade Agreement negotiations by providing expert advice and sectoral analysis in several areas (pharmaceuticals and medical devices sectors, wood products, shipbuilding, and automotive).
- The Sector also helped stimulate trade and investment flows that benefit Canadian firms by participating in domestic and international visit programs and by disseminating marketing tools, information and intelligence. Key initiatives include several trade shows (such as

BIO 2006, Interbuild, AMERICANA 2007, and Aerospace Maintenance Repair and Overhaul) and business development missions for Canadian environmental forest equipment, textiles and aerospace companies.

- Industry Sector's role enabled Canadian companies to maintain and enhance market presence, access new markets, secure key contacts, identify sales leads and opportunities for strategic alliances, and seek investments. Some key conferences that were attended by Industry Canada representatives included AMERICANA 2007 — Canada's premier biennial international environmental conference — and BIO 2006, among others. Industry Canada's participation in these events and conferences provided an opportunity for the Department to exhibit Canadian organizations, establish contact with key representatives in important industries, and promote investment and business development in Canada. The Sector also worked with other departments to develop an automotive trade and investment strategy, and contributed economic analysis to the development of the Clean Air Regulatory Agenda.

### Smart Regulation

- Since 2004–05, the Industry Sector has contributed to the Smart Regulation Implementation Strategy, which aimed to strengthen Canada's regulatory performance and establish a culture of continuous improvement in regulatory management across all levels of government. The Industry Sector advanced the strategy by contributing research and analysis to increase the government's understanding of the sectoral impacts of regulation, in part through co-chairing the interdepartmental Theme Table on Innovation, Productivity and Business Environment.
- The Sector also undertook a study to identify key regulatory differences between Canada and the United States in priority sectors, which advanced our knowledge base and helped determine priorities for further sectoral research and regulatory analysis. Furthermore, the Sector initiated improvements to the federal regulatory system by working with the Treasury Board Secretariat to develop a guide to help regulators analyze the impact of new regulatory proposals on Canadian businesses and industries.
- During 2006–07, the Smart Regulation Implementation Strategy was replaced with an Action Plan for implementing the Cabinet Directive on Streamlining Regulation.

### SourceCAN

- SourceCAN is a secure electronic doorway to the global e-marketplace led by the Industry Sector that matches Canadian companies and their products and services with opportunities posted daily by 48 domestic and foreign corporations and governments. In 2006–07, SourceCAN received about 850,000 opportunities, and 7.6 million bid matches were generated. For more information on SourceCAN, visit **www.sourcecan.com/E/index.cfm.**

## Additional Achievements

### Tourism Industry

- In December 2006, federal, provincial and territorial ministers approved the National Tourism Strategy framework, encouraging a higher level of collaboration on issues that affect the competitiveness of the Canadian tourism industry. Within the context of the framework, federal, provincial and territorial governments decided to focus on six priority areas where they can collaborate to grow the industry. These are border crossings, transportation infrastructure, product development, human resource development, tourism information and statistics, and tourism marketing.
- In addition, the Industry Sector signed a Memorandum of Understanding with the Canadian Tourism Commission to guide the Commission in aligning its activities with government policy and objectives, both domestically and abroad.

### Security and Prosperity Partnership of North America

- The Industry Sector contributed to the development and implementation of initiatives under the Manufactured Goods and Sectoral and Regional Competitiveness (MGSRC) Working Group of the Security and Prosperity Partnership of North America (SPP).
- The Sector worked to enhance Canadian sectoral competitiveness by providing sector and policy expertise in support of the SPP and by developing the Regulatory Cooperation Framework with co-leads from other government departments. Other important initiatives under the MGSRC working group included a trilateral steel strategy and a strategy to combat counterfeiting and piracy.

### Special Programs

- The Industry Sector has managed a small number of targeted interventions, through which the Government of Canada sought to encourage selected Canadian industries to become more competitive in the face of particularly intense international pressures through investing in capital, equipment and skills.
- Examples of these interventions included the Structured Financing Facility, which stimulated economic activities in the Canadian shipbuilding and industrial marine sector, and the Canadian Apparel and Textile Industries Program. The Textile Production Efficiency Component of the Canadian Textiles Program (CANtex) helped Canadian textile manufacturers improve their productivity and reorient their production toward higher-value-added products for niche markets.

| **Industry Sector — Economic Development** | **2006–07** | | |
|---|---|---|---|
| | **Planned Spending and Resources** | **Total Authorities as Per Public Accounts** | **Actual Spending and Resources** |
| Financial Resources | $95.5 million | $73.3 million | $68.4 million |
| Human Resources | 257 FTEs | — | 246 FTEs |

## 2.3.4 Program Activity: Spectrum, Information Technologies and Telecommunications Sector — Economic Development

Spectrum, Information Technologies and Telecommunications (SITT) Sector — Economic Development promotes economic development by ensuring that Canadians, communities and businesses have access to reliable, modern ICT infrastructure and the skills to fully participate in the digital economy. It also enhances entrepreneurship and lifelong learning by fostering the creation of advanced, enabling applications and technologies. Finally, it supports the development of a competitive ICT industry in Canada.

**Sub-Program Activities:** SITT Sector — Economic Development is delivered via two sub-program activities and three sub-sub-program activities:

- Information and Communications Technologies Branch
- Information Highway Applications Branch
    - Broadband for Rural and Northern Development Pilot Program
    - Francommunautés virtuelles
    - National Satellite Initiative

**Expected Results**

Canadians and communities overcome barriers and have access to modern ICT infrastructure.

Canadian ICT companies are positioned for growth in the global marketplace.

Industry Canada measures progress toward these expected results, in part, through the following indicators:

| Indicators | Progress in 2006–07 |
|---|---|
| Number of Canadians and communities accessing and using ICTs | The 2005 biennial Canadian Internet Use Survey reported that 68 percent of Canadians were using the Internet (58 percent in rural areas and in small towns). |
| Level of awareness of opportunities, gaps and barriers affecting ICT sector growth | To maintain current analysis on the sector, Industry Canada produced statistical reports on ICT sector performance and briefs on other critical issues and emerging trends, including highly qualified people, research and development, intellectual property transfer, scientific research and experimental development, science and technology, and investment and trade. |

**Industry Canada committed to the following for 2006–07:**

- Ensure that Canadians have access to ICTs and modern ICT infrastructure.
- Provide economic analysis that is critical to priority setting and decision making for the ICT sector.

## Results Achieved

### Access to Information Communication Technologies (ICTs)

- In 2006–07, Industry Canada secured additional funding to continue supporting programs such as the Community Access Program and Computers for Schools (CFS), which have played a key role in supplementing Canadians' access to ICTs and modern ICT infrastructure.
- In 2006–07, the Community Access Program supported approximately 4,000 public Internet access sites located in every Canadian province and territory.
- Industry Canada's Computers for Schools initiative has refurbished and distributed approximately 800,000 computers, of which almost 86,000 were in fiscal year 2006–07. The refurbishment system devised by Computers for Schools has been recognized as a sustainable and best practice both domestically and internationally.
- Industry Canada programs such as the Broadband for Rural and Northern Development Pilot Program and the National Satellite Initiative helped bring high-capacity Internet to remote and rural communities. The Broadband for Rural and Northern Development Pilot Program is responsible for connecting 875 communities (14 percent of all communities in Canada), of which 540 communities were connected during the 2006–07 fiscal year.
- Industry Canada's National Satellite Initiative also provided some level of broadband service to a total of 91 communities, 51 of which were connected during the 2006–07 fiscal year.
- Industry Canada also continued to deliver Francommunautés virtuelles through funding provided by the Action Plan for Official Languages. This program promotes the use of ICTs by the country's Francophone and Acadian communities by funding projects that aim to

expand French-language Internet content, applications and services. During the 2005–2007 period, support was provided to 35 projects that were evaluated and recommended by the program's National Advisory Committee and approved by Industry Canada. These are multi-year projects; therefore, data for the 2006–07 period could not be isolated.

### Economic Analysis

- In 2006–07, Industry Canada supported the development of a competitive ICT industry in Canada by publishing several analytical reports on the ICT sector. Some of the topics addressed in these reports included telecommunications wireless equipment and the e-health, e-security and e-gaming industries. These reports discuss what constitutes the industry, its past and current performance, global technology trends, business opportunities, Canada's strengths, the current policy environment and key issues, and current and future challenges. Industry Canada also supported the development of a competitive ICT industry by addressing key issues — such as highly qualified people, scientific research and experimental development, intellectual property transfer and commercialization — in policy forums and securing intelligence in these areas.

### Additional Achievements

Industry Canada also supported Canada's ICT sector's efforts to compete globally by generating 533 sales leads through the coordination of Canadian pavilions at international trade shows and by organizing 31 corporate calls on investment targets. These activities contribute to the ongoing growth of the Canadian ICT sector and, in turn, create economic growth and jobs for Canadians.

| SITT Sector — Economic Development | 2006–07 | | |
|---|---|---|---|
| | **Planned Spending and Resources** | **Total Authorities as Per Public Accounts** | **Actual Spending and Resources** |
| Financial Resources | $76.0 million | $81.5 million | $76.9 million |
| Human Resources | 165 FTEs | — | 146 FTEs |

## Section 3:
# Supplementary Information

## 3.1 Financial Summary Tables

### Table 1: Comparison of Planned to Actual Spending (including FTEs)

| ($ millions)* | 2004–05 Actual[2] | 2005–06 Actual | 2006–07 | | | |
|---|---|---|---|---|---|---|
| | | | Main Estimates | Planned Spending | Total Authorities | Total Actuals |
| **A Fair, Efficient and Competitive Marketplace** | | | | | | |
| Policy Sector — Marketplace | — | 7.2 | 9.3 | 9.0 | 7.4 | 6.2 |
| Operations Sector — Marketplace | — | 110.2 | 87.2 | 87.0 | 87.5 | 86.5 |
| Spectrum, Information Technologies and Telecommunications Sector — Marketplace | — | 73.4 | 60.2 | 59.9 | 68.9 | 67.0 |
| Chief Information Office Sector — Marketplace[1] | — | 0.6 | — | — | — | — |
| Office of Consumer Affairs | — | 5.6 | 5.6 | 5.6 | 6.0 | 5.9 |
| Competition Bureau | — | 55.7 | 45.3 | 48.1 | 49.3 | 42.1 |
| Canadian Intellectual Property Office Revolving Fund[3] | — | (27.6) | (7.7) | (7.7) | 88.7 | (28.5) |
| Subtotal | — | 225.2 | 199.9 | 201.9 | 307.8 | 179.3 |
| **An Innovative Economy** | | | | | | |
| Policy Sector — S&T and Innovation | — | 42.2 | 10.5 | 46.2 | 11.5 | 10.6 |
| Industry Sector — S&T and Innovation | — | 172.5 | 19.5 | 19.4 | 5.0 | 4.9 |
| Spectrum, Information Technologies and Telecommunications Sector — S&T and Innovation | — | 20.8 | 2.9 | 2.9 | 25.4 | 24.1 |
| Communications Research Centre Canada | — | 56.5 | 44.4 | 44.1 | 54.7 | 50.6 |
| Technology Partnerships Canada | — | 473.7 | 418.0 | 510.0 | 459.8 | 409.9 |
| Subtotal | — | 765.7 | 495.4 | 622.7 | 556.5 | 500.1 |
| **Competitive Industry and Sustainable Communities** | | | | | | |
| Policy Sector — Economic Development | — | 27.2 | 11.5 | 11.5 | 14.0 | 12.2 |
| Operations Sector — Economic Development | — | 377.4 | 347.7 | 349.4 | 353.1 | 352.8 |
| Industry Sector — Economic Development | — | 83.0 | 83.9 | 95.5 | 73.3 | 68.4 |
| Spectrum, Information Technologies and Telecommunications Sector — Economic Development | — | 119.6 | 59.3 | 76.0 | 81.5 | 76.9 |
| Chief Information Office Sector — Economic Development[1] | — | 18.9 | — | — | — | — |
| Subtotal | — | 626.2 | 502.4 | 532.3 | 522.0 | 510.3 |
| Budgetary Main Estimates | 1,376.6 | 1,617.0 | 1,197.6 | 1,356.9 | 1,386.3 | 1,189.7 |
| Non-Budgetary Main Estimates | | | 0.8 | 0.8 | 2.8 | — |
| **Total** | **1,376.6** | **1,617.0** | **1,198.4** | **1,357.7** | **1,389.0** | **1,189.7** |
| Less: Non-respendable revenue | (599.1) | (485.4) | | (575.6) | | (522.3) |
| Plus: Cost of services received without charge | 77.9 | 79.8 | | 79.7 | | 84.8 |
| **Net Cost of Department** | **855.4** | **1,211.4** | **1,198.4** | **861.7** | **1,389.0** | **752.3** |
| **Full-Time Equivalents** | 5,739 | 5,683 | N/A | 6,104 | N/A | 5,521 |

* Minor differences are due to rounding.

Note 1: Because the Chief Information Office Sector no longer exists as of 2006–07, figures were provided for 2005–06 only.

Note 2: No breakdown is available for 2004–05 Actuals. The strategic outcomes and Program Activity Architecture were implemented in Industry Canada's financial system starting in 2005–06.

Note 3: Details for the Canadian Intellectual Property Office Revolving Fund figures are provided in Section 3.1, Table 7.

## Table 2: Resources by Program Activity

**2006–07 ($ millions)***

| | **Budgetary** | | | | | | | **Plus: Non-Budgetary** | |
|---|---|---|---|---|---|---|---|---|---|
| **Program Activity by Strategic Outcome** | Operating | Capital | Grants | Contributions and Other Transfer Payments | Total: Gross Budgetary Expenditures | Less: Respendable Revenue | Total: Net Budgetary Expenditures | Loans, Investments, and Advances | **Total** |
| **A Fair, Efficient and Competitive Marketplace** | | | | | | | | | |
| **Policy Sector — Marketplace** | | | | | | | | | |
| Main Estimates | 8.7 | 0.1 | 0.6 | — | **9.3** | — | **9.3** | — | **9.3** |
| Planned Spending | 8.4 | 0.1 | 0.6 | — | **9.0** | — | **9.0** | — | **9.0** |
| Total Authorities | 6.7 | 0.1 | 0.6 | — | **7.4** | — | **7.4** | — | **7.4** |
| Total Actuals | 5.8 | 0.1 | 0.3 | — | **6.2** | — | **6.2** | — | **6.2** |
| **Operations Sector — Marketplace** | | | | | | | | | |
| Main Estimates | 125.6 | 2.0 | — | — | **127.6** | (40.5) | **87.2** | — | **87.2** |
| Planned Spending | 125.4 | 2.0 | — | — | **127.4** | (40.5) | **87.0** | — | **87.0** |
| Total Authorities | 124.9 | 3.0 | — | — | **127.9** | (40.5) | **87.5** | — | **87.5** |
| Total Actuals | 124.7 | 2.7 | — | — | **127.4** | (40.5) | **86.5** | — | **86.5** |
| **Spectrum, Information Technologies and Telecommunications Sector — Marketplace** | | | | | | | | | |
| Main Estimates | 51.4 | 1.9 | 6.9 | — | **60.2** | — | **60.2** | — | **60.2** |
| Planned Spending | 51.1 | 1.9 | 6.9 | — | **59.9** | — | **59.9** | — | **59.9** |
| Total Authorities | 53.6 | 8.4 | 6.9 | — | **68.9** | — | **68.9** | — | **68.9** |
| Total Actuals | 52.5 | 8.3 | 6.2 | — | **67.0** | — | **67.0** | — | **67.0** |
| **Office of Consumer Affairs** | | | | | | | | | |
| Main Estimates | 3.8 | 0.1 | — | 1.7 | **5.6** | — | **5.6** | — | **5.6** |
| Planned Spending | 3.8 | 0.1 | — | 1.7 | **5.6** | — | **5.6** | — | **5.6** |
| Total Authorities | 4.2 | 0.1 | — | 1.7 | **6.0** | — | **6.0** | — | **6.0** |
| Total Actuals | 4.1 | 0.1 | — | 1.7 | **5.9** | — | **5.9** | — | **5.9** |
| **Competition Bureau** | | | | | | | | | |
| Main Estimates | 55.4 | 0.4 | — | — | **55.8** | (10.5) | **45.3** | — | **45.3** |
| Planned Spending | 58.2 | 0.4 | — | — | **58.6** | (10.5) | **48.1** | — | **48.1** |
| Total Authorities | 56.7 | 3.1 | — | — | **59.8** | (10.5) | **49.3** | — | **49.3** |
| Total Actuals | 49.8 | 2.9 | — | — | **52.6** | (10.5) | **42.1** | — | **42.1** |
| **Canadian Intellectual Property Office** | | | | | | | | | |
| Main Estimates | 126.0 | — | — | — | **126.0** | (133.7) | **(7.7)** | — | **(7.7)** |
| Planned Spending | 126.0 | — | — | — | **126.0** | (133.7) | **(7.7)** | — | **(7.7)** |
| Total Authorities | 222.5 | — | — | — | **222.5** | (133.7) | **88.7** | — | **88.7** |
| Total Actuals | 120.0 | — | — | — | **120.0** | (148.5) | **(28.5)** | — | **(28.5)** |
| **Subtotal — Marketplace** | | | | | | | | | |
| Main Estimates | **370.9** | **4.5** | **7.4** | **1.7** | **384.5** | **(184.7)** | **199.9** | — | **199.9** |
| Planned Spending | **372.9** | **4.5** | **7.4** | **1.7** | **386.5** | **(184.7)** | **201.9** | — | **201.9** |
| Total Authorities | **468.5** | **14.8** | **7.4** | **1.7** | **492.5** | **(184.7)** | **307.8** | — | **307.8** |
| Total Actuals | **357.0** | **14.0** | **6.5** | **1.7** | **379.1** | **(199.9)** | **179.3** | — | **179.3** |
| **An Innovative Economy** | | | | | | | | | |
| **Policy Sector — S&T and Innovation** | | | | | | | | | |
| Main Estimates | 10.4 | 0.1 | — | — | **10.5** | — | **10.5** | — | **10.5** |
| Planned Spending | 16.0 | 0.1 | — | 30.1 | **46.2** | — | **46.2** | — | **46.2** |
| Total Authorities | 11.4 | 0.1 | — | — | **11.5** | — | **11.5** | — | **11.5** |
| Total Actuals | 10.5 | 0.1 | — | — | **10.6** | — | **10.6** | — | **10.6** |
| **Industry Sector — S&T and Innovation** | | | | | | | | | |
| Main Estimates | 19.5 | 0.1 | — | — | **19.5** | — | **19.5** | — | **19.5** |
| Planned Spending | 19.4 | 0.1 | — | — | **19.4** | — | **19.4** | — | **19.4** |
| Total Authorities | 4.9 | 0.1 | — | — | **5.0** | — | **5.0** | — | **5.0** |
| Total Actuals | 4.9 | 0.1 | — | — | **5.0** | — | **5.0** | — | **5.0** |
| **Spectrum, Information Technologies and Telecommunications Sector — S&T and Innovation** | | | | | | | | | |
| Main Estimates | 2.9 | — | — | — | **2.9** | — | **2.9** | — | **2.9** |
| Planned Spending | 2.9 | — | — | — | **2.9** | — | **2.9** | — | **2.9** |
| Total Authorities | 1.4 | — | 24.0 | — | **25.4** | — | **25.4** | — | **25.4** |
| Total Actuals | 0.1 | — | 24.0 | — | **24.1** | — | **24.1** | — | **24.1** |

* Minor differences are due to rounding.

Continued on next page

Continued from previous page

**2006–07 ($ millions)***

| Program Activity by Strategic Outcome | Budgetary | | | | | | | Plus: Non-Budgetary | Total |
|---|---|---|---|---|---|---|---|---|---|
| | Operating | Capital | Grants | Contributions and Other Transfer Payments | Total: Gross Budgetary Expenditures | Less: Respendable Revenue | Total: Net Budgetary Expenditures | Loans, Investments, and Advances | |
| **Communications Research Centre Canada** | | | | | | | | | |
| Main Estimates | 50.1 | 3.0 | — | — | **53.1** | (8.7) | **44.4** | — | **44.4** |
| Planned Spending | 49.8 | 3.0 | — | — | **52.8** | (8.7) | **44.1** | — | **44.1** |
| Total Authorities | 54.2 | 9.2 | — | — | **63.4** | (8.7) | **54.7** | — | **54.7** |
| Total Actuals | 51.3 | 8.2 | — | — | **59.5** | (8.9) | **50.6** | — | **50.6** |
| **Technology Partnerships Canada** | | | | | | | | | |
| Main Estimates | 42.2 | 2.4 | — | 373.5 | **418.0** | — | **418.0** | — | **418.0** |
| Planned Spending | 40.5 | 2.4 | — | 467.2 | **510.0** | — | **510.0** | — | **510.0** |
| Total Authorities | 64.6 | 3.8 | — | 391.4 | **459.8** | — | **459.8** | — | **459.8** |
| Total Actuals | 64.3 | 3.4 | — | 342.2 | **409.9** | — | **409.9** | — | **409.9** |
| **Subtotal — S&T and Innovation** | | | | | | | | | |
| Main Estimates | **125.1** | **5.5** | — | **373.5** | **504.0** | **(8.7)** | **495.4** | — | **495.4** |
| Planned Spending | **128.6** | **5.5** | — | **497.3** | **631.3** | **(8.7)** | **622.7** | — | **622.7** |
| Total Authorities | **136.6** | **13.2** | **24.0** | **391.4** | **565.2** | **(8.7)** | **556.5** | — | **556.5** |
| Total Actuals | **131.0** | **11.8** | **24.0** | **342.2** | **509.1** | **(8.9)** | **500.2** | — | **500.2** |
| **Competitive Industry and Sustainable Communities** | | | | | | | | | |
| **Policy Sector — Economic Development** | | | | | | | | | |
| Main Estimates | 11.4 | 0.1 | — | — | **11.5** | — | **11.5** | — | **11.5** |
| Planned Spending | 11.4 | 0.1 | — | — | **11.5** | — | **11.5** | — | **11.5** |
| Total Authorities | 13.8 | 0.1 | 0.0 | — | **14.0** | — | **14.0** | — | **14.0** |
| Total Actuals | 12.1 | 0.1 | 0.0 | — | **12.2** | — | **12.2** | — | **12.2** |
| **Operations Sector — Economic Development** | | | | | | | | | |
| Main Estimates | 85.2 | 2.1 | — | 260.4 | **347.7** | — | **347.7** | — | **347.7** |
| Planned Spending | 86.8 | 2.1 | — | 260.5 | **349.4** | — | **349.4** | — | **349.4** |
| Total Authorities | 89.1 | 3.0 | — | 261.0 | **353.1** | — | **353.1** | — | **353.1** |
| Total Actuals | 88.9 | 2.9 | — | 261.0 | **352.8** | — | **352.8** | — | **352.8** |
| **Industry Sector — Economic Development** | | | | | | | | | |
| Main Estimates | 41.0 | 0.5 | — | 42.4 | **83.9** | — | **83.9** | 0.8 | **84.7** |
| Planned Spending | 40.6 | 0.5 | — | 54.4 | **95.5** | — | **95.5** | 0.8 | **96.3** |
| Total Authorities | 51.0 | 0.8 | — | 21.5 | **73.3** | — | **73.3** | 2.8 | **76.1** |
| Total Actuals | 50.1 | 0.7 | — | 17.5 | **68.4** | — | **68.4** | — | **68.4** |
| **Spectrum, Information Technologies and Telecommunications Sector — Economic Development** | | | | | | | | | |
| Main Estimates | 33.9 | 0.2 | — | 25.2 | **59.3** | — | **59.3** | — | **59.3** |
| Planned Spending | 35.0 | 0.2 | — | 40.8 | **76.0** | — | **76.0** | — | **76.0** |
| Total Authorities | 22.2 | 0.3 | — | 59.1 | **81.5** | — | **81.5** | — | **81.5** |
| Total Actuals | 19.6 | 0.2 | — | 57.1 | **76.9** | — | **76.9** | — | **76.9** |
| **Subtotal — Economic Development** | | | | | | | | | |
| Main Estimates | **171.5** | **2.9** | — | **328.0** | **502.4** | — | **502.4** | **0.8** | **503.2** |
| Planned Spending | **173.8** | **2.9** | — | **355.7** | **532.3** | — | **532.3** | **0.8** | **533.1** |
| Total Authorities | **176.1** | **4.2** | **0.0** | **341.6** | **522.0** | — | **522.0** | **2.8** | **524.7** |
| Total Actuals | **170.7** | **4.0** | **0.0** | **335.5** | **510.3** | — | **510.3** | — | **510.3** |
| **Grand Total** | | | | | | | | | |
| **Main Estimates** | **667.5** | **12.9** | **7.4** | **703.1** | **1,390.9** | **(193.4)** | **1,197.6** | **0.8** | **1,198.4** |
| **Planned Spending** | **675.3** | **12.9** | **7.4** | **854.6** | **1,550.2** | **(193.4)** | **1,356.9** | **0.8** | **1,357.7** |
| **Total Authorities** | **781.2** | **32.3** | **31.5** | **734.6** | **1,579.6** | **(193.4)** | **1,386.3** | **2.8** | **1,389.0** |
| **Total Actuals** | **658.7** | **29.9** | **30.5** | **679.5** | **1,398.5** | **(208.8)** | **1,189.7** | — | **1,189.7** |

* Minor differences are due to rounding.

## Table 3: Voted and Statutory Items

| | | 2006–07 ($ millions)* | | | |
|---|---|---|---|---|---|
| Voted or Statutory Item | Truncated Vote or Statutory Wording | Main Estimates | Planned Spending | Total Authorities | Total Actuals |
| 1 | Operating expenditures | 420.9 | 428.7 | 436.7 | 416.1 |
| 5 | Capital expenditures | 12.9 | 12.9 | 32.3 | 29.9 |
| 10 | Grants and contributions | 607.1 | 758.6 | 682.2 | 626.1 |
| (S) | Minister of Industry salary and motor car allowance | 0.1 | 0.1 | 0.1 | 0.1 |
| (S) | Insurance payments under the Enterprise Development and Regional Development Program | 10.0 | 10.0 | — | — |
| (S) | Canadian Intellectual Property Office Revolving Fund[1] | (7.7) | (7.7) | 88.7 | (28.5) |
| (S) | Liabilities under the *Small Business Loans Act* (SBLA) | 4.0 | 4.0 | 2.5 | 2.5 |
| (S) | Liabilities under the *Canada Small Business Financing Act* (CSBFA) | 89.5 | 89.5 | 81.3 | 81.3 |
| (S) | Contributions to employee benefit plans | 60.8 | 60.8 | 57.9 | 57.9 |
| (S) | Spending of proceeds from the disposal of surplus Crown assets | — | — | 0.5 | 0.2 |
| (S) | Refunds to amounts credited to revenues in previous years | — | — | 0.5 | 0.5 |
| (S) | Court awards | — | — | 3.6 | 3.6 |
| (S) | Losses on foreign exchange | — | — | — | — |
| (S) | Liabilities for loan guarantee payments pursuant to paragraph 14(1) of the *Department of Industry Act* | — | — | — | — |
| (S) | Council of Canadian Academies | — | — | — | — |
| (S) | Grant to Genome Canada | — | — | — | — |
| (S) | Grant to Precarn Incorporated | — | — | — | — |
| (S) | Grant to Canadian Youth Business Foundation | — | — | — | — |
| | **Total Budgetary** | **1,197.6** | **1,356.9** | **1,386.3** | **1,189.7** |
| L15 | Payments pursuant to subsection 14(2) of the *Department of Industry Act* | 0.3 | 0.3 | 0.3 | — |
| L20 | Loans pursuant to paragraph 14(1)(a) of the *Department of Industry Act* | 0.5 | 0.5 | 0.5 | — |
| L97b | Advances to regional offices and employees posted abroad. *Appropriation Act No. 1, 1970.* Limit $1,950,000 (net) | — | — | 2.0 | — |
| | **Total Non-Budgetary** | **0.8** | **0.8** | **2.8** | **—** |
| | **Total Department** | **1,198.4** | **1,357.7** | **1,389.0** | **1,189.7** |

* Minor differences are due to rounding.

Note 1: Details for the Canadian Intellectual Property Office Revolving Fund figures are provided in Section 3.1, Table 7.

## Table 4: Services Received Without Charge

| **($ millions)*** | **2006–07** |
|---|---|
| Accommodation provided by Public Works and Government Services Canada | 53.3 |
| Contributions covering employer's share of employees' insurance premiums and expenditures paid by Treasury Board of Canada Secretariat (TBS) (excluding revolving funds) | 25.6 |
| Workers' compensation coverage provided by Human Resources and Social Development Canada | 0.6 |
| Salary and associated expenditures of legal services provided by Justice Canada | 5.3 |
| **Total 2006–07 services received without charge** | **84.8** |

* Minor differences are due to rounding.

## Table 5: Loans, Investments and Advances (Non-Budgetary)

| | | | **2006–07** | | | |
|---|---|---|---|---|---|---|
| ($ millions) | Actual 2004–05 | Actual 2005–06 | Main Estimates | Planned Spending | Total Authorities | Total Actual |
| **Competitive Industry and Sustainable Communities** | | | | | | |
| Industry Sector — Economic Development | | | | | | |
| Payments pursuant to subsection 14(2) of the *Department of Industry Act* | — | — | 0.3 | 0.3 | 0.3 | — |
| Loans pursuant to paragraph 14(1)(a) of the *Department of Industry Act* | — | — | 0.5 | 0.5 | 0.5 | — |
| Operations Sector — Economic Development | | | | | | |
| Advances to regional offices and employees posted abroad. *Appropriation Act No. 1, 1970.* Limit $1,950,000 (net) | — | — | — | — | 2.0 | — |
| **Total** | **—** | **—** | **0.8** | **0.8** | **2.8** | **—** |

## Table 6: Sources of Respendable and Non-Respendable Revenue

### Respendable Revenue

| ($ millions)* | Actual 2004–05 | Actual 2005–06 | 2006–07 | | | |
|---|---|---|---|---|---|---|
| | | | Main Estimates | Planned Revenue | Total Authorities | Total Actual |
| **A Fair, Efficient and Competitive Marketplace** | | | | | | |
| Operations Sector — Marketplace | | | | | | |
| Bankruptcy and Insolvency Administration | 30.9 | 31.9 | 31.9 | 31.9 | 31.9 | 32.3 |
| Corporations Regulation | 7.5 | 7.9 | 8.6 | 8.6 | 8.6 | 8.6 |
| Competition Bureau | | | | | | |
| Competition Law and Policy | 10.5 | 10.4 | 10.5 | 10.5 | 10.5 | 10.5 |
| Canadian Intellectual Property Office Revolving Fund | 127.2 | 137.3 | 133.7 | 133.7 | 133.7 | 148.5 |
| Subtotal | 176.1 | 187.5 | 184.7 | 184.7 | 184.7 | 199.9 |
| **An Innovative Economy** | | | | | | |
| Communications Research Centre Canada | | | | | | |
| Communications Research | 7.9 | 8.4 | 8.7 | 8.7 | 8.7 | 8.9 |
| Subtotal | 7.9 | 8.4 | 8.7 | 8.7 | 8.7 | 8.9 |
| **Total Respendable Revenue** | **184.0** | **195.9** | **193.4** | **193.4** | **193.4** | **208.8** |

### Non-Respendable Revenue

| ($ millions)* | Actual 2004–05 | Actual 2005–06 | 2006–07 | | | |
|---|---|---|---|---|---|---|
| | | | Main Estimates | Planned Revenue | Total Authorities | Total Actual |
| **A Fair, Efficient and Competitive Marketplace** | | | | | | |
| Operations Sector — Marketplace | | | | | | |
| Bankruptcy and Insolvency Supervision | 1.0 | 1.0 | 3.3 | 3.3 | 3.3 | 2.7 |
| Corporations Regulation (including NUANS®) | 0.7 | 1.6 | 1.9 | 1.9 | 1.9 | 3.2 |
| Trade Measurement Regulation | 1.9 | 1.6 | 1.8 | 1.8 | 1.8 | 1.2 |
| Prior Year Refunds, Interest and Other | 27.7 | 26.7 | — | — | — | 24.6 |
| Competition Bureau — Marketplace | | | | | | |
| Fines | 8.5 | 8.1 | — | — | — | 6.6 |
| Consumer Labelling and Advertising Regulation | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 |
| Prior Year Refunds, Interest and Other | — | 2.2 | — | — | — | 4.3 |
| Spectrum, Information Technologies and Telecommunications Sector — Marketplace** | 385.8 | 205.6 | 371.4 | 371.4 | 371.4 | 205.0 |
| Subtotal | 425.7 | 247.0 | 378.5 | 378.5 | 378.5 | 247.7 |

* Minor differences are due to rounding.

** Actual revenues for 2005–06 and 2006–07 do not include that portion of deferred revenue that is being realized in the current year. Planned revenue includes $171.1 million related to the amortization of licence fee revenue received in previous years.

Continued on next page

Continued from previous page

| ($ millions)* | Actual 2004–05 | Actual 2005–06 | 2006–07 | | | |
|---|---|---|---|---|---|---|
| | | | Main Estimates | Planned Revenue | Total Authorities | Total Actual |
| **An Innovative Economy** | | | | | | |
| Communications Research Centre Canada | | | | | | |
| Communications Research | 1.2 | 1.5 | 1.5 | 1.5 | 1.5 | 3.0 |
| Technology Partnerships Canada — Special Operating Agency | | | | | | |
| Receipts from Repayable Contributions | 37.3 | 79.9 | 76.7 | 76.7 | 76.7 | 92.0 |
| Prior Year Refunds, Interest and Other | — | 11.3 | — | — | — | 22.9 |
| Subtotal | 38.5 | 92.8 | 78.2 | 78.2 | 78.2 | 117.9 |
| **Competitive Industry and Sustainable Communities** | | | | | | |
| Spectrum, Information Technologies and Telecommunications Sector — Economic Development | — | 2.1 | — | — | — | 1.9 |
| Operations Sector — Economic Development | | | | | | |
| SBLA/CSBFA Service Fees | 55.7 | 59.3 | 59.9 | 59.9 | 59.9 | 60.0 |
| Receipts from Repayable Contributions | — | 20.3 | 11.4 | 11.4 | 11.4 | 7.9 |
| Return on Investment | 15.2 | 18.2 | 14.8 | 14.8 | 14.8 | 21.1 |
| Prior Year Refunds, Interest and Other | — | 3.0 | — | — | — | 16.0 |
| Industry Sector — Economic Development | | | | | | |
| Receipts from Repayable Contributions | 64.0 | 32.9 | 32.8 | 32.8 | 32.8 | 40.1 |
| Prior Year Refunds, Interest and Other | — | 9.9 | — | — | — | 9.7 |
| Subtotal | 134.9 | 145.7 | 118.9 | 118.9 | 118.9 | 156.7 |
| **Total Non-Respendable Revenue** | **599.1** | **485.4** | **575.6** | **575.6** | **575.6** | **522.3** |
| **Total Respendable and Non-Respendable Revenue** | **783.1** | **681.4** | **769.0** | **769.0** | **769.0** | **731.1** |

* Minor differences are due to rounding.

## Table 7: Canadian Intellectual Property Office Revolving Funds

### Statement of Operations

| | | | 2006–07 | | | |
|---|---|---|---|---|---|---|
| ($ millions)* | Actual 2004–05 | Actual 2005–06 | Main Estimates | Planned Spending | Total Authorities | Total Actual |
| **Respendable Revenue** | 115.6 | 124.7 | 129.3 | 129.3 | 129.3 | 138.3 |
| **Expenses** | | | | | | |
| Operating: | | | | | | |
| Salaries and employee benefits | 68.7 | 75.1 | 87.5 | 87.5 | 87.5 | 81.5 |
| Depreciation | 15.7 | 14.8 | 15.1 | 15.1 | 15.1 | 13.4 |
| Repairs and maintenance | 1.1 | 1.2 | 1.1 | 1.1 | 1.1 | 1.1 |
| Administrative and support services | 16.0 | 17.5 | 21.0 | 21.0 | 21.0 | 23.5 |
| Utilities, materials and supplies | 8.6 | 9.2 | 10.9 | 10.9 | 10.9 | 10.2 |
| Marketing | — | — | — | — | — | — |
| Interest | — | — | — | — | — | — |
| **Total Expenses** | 110.1 | 117.8 | 135.6 | 135.6 | 135.6 | 129.7 |
| **Subtotal Surplus (Deficit)** | 5.5 | 6.9 | (6.3) | (6.3) | (6.3) | 8.6 |
| Deferred capital assistance | 6.4 | 6.4 | 6.4 | 6.4 | 6.4 | 6.4 |
| **Surplus (Deficit)** | 11.9 | 13.3 | 0.1 | 0.1 | 0.1 | 15.0 |

### Statement of Cash Flows

| | | | 2006–07 | | | |
|---|---|---|---|---|---|---|
| ($ millions)* | Actual 2004–05 | Actual 2005–06 | Main Estimates | Planned Spending | Total Authorities | Total Actual |
| **Surplus (Deficit)** | 11.9 | 13.3 | 0.1 | 0.1 | 0.1 | 15.0 |
| Add Non-Cash Items: | | | | | | |
| Depreciation/amortization | 15.7 | 14.8 | 15.1 | 15.1 | 15.1 | 13.4 |
| Deferred capital assistance | (6.4) | (6.4) | (6.4) | (6.4) | (6.4) | (6.4) |
| Investing Activities: | | | | | | |
| Acquisition of depreciable assets | (2.9) | (7.6) | (6.0) | (6.0) | (6.0) | (4.5) |
| Changes in short- and long-term assets/liabilities | 13.9 | 13.5 | 4.9 | 4.9 | 4.9 | 11.0 |
| **Cash Surplus (requirement)** | 32.2 | 27.6 | 7.7 | 7.7 | 7.7 | 28.5 |

### Projected Use of Authority

| | | | 2006–07 | | | |
|---|---|---|---|---|---|---|
| ($ millions)* | Actual 2004–05 | Actual 2005–06 | Main Estimates | Planned Spending | Total Authorities | Total Actual |
| Authority | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 |
| Drawdown: | | | | | | |
| Balance as at April 1 | 74.8 | 107.2 | 122.8 | 122.8 | 122.8 | 134.8 |
| TB Vote 5 | 0.2 | — | — | — | — | 0.3 |
| Adjustment of unused authority via Supplementary Estimates "B" | | | | | | 0.4 |
| Adjustment TB Vote 5 — Previous years | | | | | | (1.8) |
| Budget 2006 Spending Restraint | | | | | | (50.0) |
| Projected surplus (drawdown) | 32.2 | 27.6 | 7.7 | 7.7 | 7.7 | 28.5 |
| | 107.2 | 134.8 | 130.5 | 130.5 | 130.5 | 112.2 |
| **Projected Balance at March 31** | 112.2 | 139.8 | 135.5 | 135.5 | 135.5 | 117.2 |

* Minor differences are due to rounding.

## Table 8: Resources Requirements by Branch or Sector

| | 2006–07 | | | |
|---|---|---|---|---|
| Organization ($ millions)* | A Fair, Efficient and Competitive Marketplace | An Innovative Economy | Competitive Industry and Sustainable Communities | Total |
| **Policy Sector** | | | | |
| Main Estimates | 9.3 | 10.5 | 11.5 | **31.3** |
| Planned Spending | 9.0 | 46.2 | 11.5 | **66.7** |
| Total Authorities | 7.4 | 11.5 | 14.0 | **32.9** |
| Total Actuals | 6.2 | 10.6 | 12.2 | **29.0** |
| **Operations Sector** | | | | |
| Main Estimates | 87.2 | — | 347.7 | **434.9** |
| Planned Spending | 87.0 | — | 349.4 | **436.4** |
| Total Authorities | 87.5 | — | 353.1 | **440.5** |
| Total Actuals | 86.5 | — | 352.8 | **439.3** |
| **Industry Sector** | | | | |
| Main Estimates | — | 19.5 | 84.7 | **104.2** |
| Planned Spending | — | 19.4 | 96.3 | **115.7** |
| Total Authorities | — | 5.0 | 76.1 | **81.1** |
| Total Actuals | — | 4.9 | 68.4 | **73.3** |
| **Spectrum, Information Technologies and Telecommunications Sector** | | | | |
| Main Estimates | 60.2 | 2.9 | 59.3 | **122.4** |
| Planned Spending | 59.9 | 2.9 | 76.0 | **138.8** |
| Total Authorities | 68.9 | 25.4 | 81.5 | **175.9** |
| Total Actuals | 67.0 | 24.1 | 76.9 | **167.9** |
| **Communications Research Centre Canada** | | | | |
| Main Estimates | — | 44.4 | — | **44.4** |
| Planned Spending | — | 44.1 | — | **44.1** |
| Total Authorities | — | 54.7 | — | **54.7** |
| Total Actuals | — | 50.6 | — | **50.6** |
| **Technology Partnerships Canada — Special Operating Agency** | | | | |
| Main Estimates | — | 418.0 | — | **418.0** |
| Planned Spending | — | 510.0 | — | **510.0** |
| Total Authorities | — | 459.8 | — | **459.8** |
| Total Actuals | — | 409.9 | — | **409.9** |
| **Office of Consumer Affairs** | | | | |
| Main Estimates | 5.6 | — | — | **5.6** |
| Planned Spending | 5.6 | — | — | **5.6** |
| Total Authorities | 6.0 | — | — | **6.0** |
| Total Actuals | 5.9 | — | — | **5.9** |
| **Competition Bureau** | | | | |
| Main Estimates | 45.3 | — | — | **45.3** |
| Planned Spending | 48.1 | — | — | **48.1** |
| Total Authorities | 49.3 | — | — | **49.3** |
| Total Actuals | 42.1 | — | — | **42.1** |
| **Canadian Intellectual Property Office Revolving Fund** | | | | |
| Main Estimates | (7.7) | — | — | **(7.7)** |
| Planned Spending | (7.7) | — | — | **(7.7)** |
| Total Authorities | 88.7 | — | — | **88.7** |
| Total Actuals | (28.5) | — | — | **(28.5)** |
| **Total Department** | | | | |
| **Main Estimates** | 199.9 | 495.3 | 503.2 | **1,198.4** |
| **Planned Spending** | 201.9 | 622.6 | 533.2 | **1,357.7** |
| **Total Authorities** | 307.8 | 556.5 | 524.8 | **1,389.0** |
| **Total Actuals** | 179.3 | 500.1 | 510.3 | **1,189.7** |

* Minor differences are due to rounding.

# 3.2 User Fees / External Fees

Supplementary information on service standards for external fees can be found at **publiservice.tbs-sct.gc.ca/rma/dpr2/06-07/index_e.asp**.

## Access to Information and Privacy (ATIP)

### *User Fees Act*

| | | | | 2006–07 | | | | |
|---|---|---|---|---|---|---|---|---|
| **A. User Fee** | **Fee Type** | **Fee-Setting Authority** | **Date Last Modified** | **Forecast Revenue ($000)** | **Actual Revenue ($000)** | **Full Cost ($000)** | **Performance Standard*** | **Performance Results*** |
| Access to Information and Privacy (ATIP) fees | Regulatory | *Access to Information Act* and *Privacy Act* | 1983 | 3 | 3 | 1,611 | Framework under development by TBS | Statutory deadlines met 95 percent of the time |
| **Total** | | | | 3 | 3 | 1,611 | | |

| Planning Years | | | | | |
|---|---|---|---|---|---|
| **Forecast Revenue ($000)** | | | **Estimated Full Cost ($000)** | | |
| **2007–08** | **2008–09** | **2009–10** | **2007–08** | **2008–09** | **2009–10** |
| 3 | 3 | 3 | 1,862 | 1,862 | 1,862 |

**B. Other Information**

The *Access to Information Act* (ATI Act) states that all formal requests submitted must be accompanied by a $5.00 application fee payable to the Receiver General for Canada. All fees prescribed and received pursuant to the ATI Act are returned to the Consolidated Revenue Fund.

All fees collected and waived under the ATI Act are detailed in the Department's annual access to information and privacy report to Parliament.

Figures reflect the allocation for Information and Privacy Rights Administration only.

* According to prevailing legal opinion, where the corresponding fee introduction or most recent modification occurred prior to March 31, 2004:

- the performance standard, if provided, may not have received parliamentary review;
- the performance standard, if provided, may not respect all establishment requirements under the *User Fees Act* (e.g., international comparison, independent complaint address); and
- the performance result, if provided, is not *legally* subject to section 5.1 of the *User Fees Act* regarding fee reductions for unachieved performance.

# Canada Small Business Financing Program

## *User Fees Act*

| | | | | 2006–07 | | | | |
|---|---|---|---|---|---|---|---|---|
| **A. User Fee** | **Fee Type** | **Fee-Setting Authority** | **Date Last Modified** | **Forecast Revenue ($000)** | **Actual Revenue ($000)** | **Full Cost ($000)** | **Performance Standard*** | **Performance Results*** |
| CSBFA<br>Loans component (registration and administration fees)<br>Capital leases component (registration and administration fees) | Regulatory | *Canada Small Business Financing Act* (CSBFA) | Fees were established for the CSBFA in April 1999, and for the Capital Leasing Pilot Project in April 2002 | CSBFA: 58,300 | CSBFA: 57,550 | 4,070 | The following standards were set:<br>Two days or less to register loans/leases<br>Twenty days or less to process claims | The following results were obtained:<br>Standard of two days or less to register loans/leases met 100 percent of the time<br>Time required to process a claim in 2006–07 was an average of 13 days<br>Standard of 20 days or less to process claims met 80 percent of the time |
| SBLA<br>Administration fees requests | Regulatory Services | *Small Business Loans Act* (SBLA) | A 1.25-percent administration fee was established in 1995 | SBLA: 1,600 | SBLA: 1,582 | | The following standard was set:<br>Twenty days or less to process claims | The following results were obtained:<br>Time required to process a claim in 2006–07 was an average of 13 days<br>Standard of 20 days or less to process claims met 80 percent of the time |
| **Total** | | | | **59,900** | **59,132** | **4,070** | | |

| Planning Years | | | | | |
|---|---|---|---|---|---|
| **Forecast Revenue ($000)** | | | **Estimated Full Cost ($000)** | | |
| **2007–08** | **2008–09** | **2009–10** | **2007–08** | **2008–09** | **2009–10** |
| 59,300 | 58,460 | 58,000 | 5,304 | 5,154 | 5,099 |

**B. Other Information**

"Full Cost" figures represent the cost of the CSBF directorate to administer the CSBF and SBLA programs. Full cost does not include expenses with claim payments made to financial institutions as a result of defaulted loans or leases. These expenses are covered in financial tables for Transfer Payment Programs.

* According to prevailing legal opinion, where the corresponding fee introduction or most recent modification occurred prior to March 31, 2004:

- the performance standard, if provided, may not have received parliamentary review;
- the performance standard, if provided, may not respect all establishment requirements under the *User Fees Act* (e.g., international comparison, independent complaint address); and
- the performance result, if provided, is not *legally* subject to section 5.1 of the *User Fees Act* regarding fee reductions for unachieved performance.

## Canadian Intellectual Property Office (CIPO)

### *User Fees Act*

| | | | | 2006–07 | | | | |
|---|---|---|---|---|---|---|---|---|
| **A. User Fee** | **Fee Type** | **Fee-Setting Authority** | **Date Last Modified** | **Forecast Revenue ($000)** | **Actual Revenue ($000)** | **Full Cost ($000)** | **Performance Standard*** | **Performance Results*** |
| Fees are charged for services that are provided by a regulating authority | Regulatory<br>CIPO grants or registers ownership for five types of intellectual property: patents, trademarks, copyright, industrial designs and integrated circuit topographies. | *Financial Administration Act*<br>*Patent Act*<br>*Trade-marks Act*<br>*Copyright Act*<br>*Industrial Design Act*<br>*Integrated Circuit Topography Act*<br>*Department of Industry Act* | January 1, 2004 | Patents: 99,107 | Patents: 108,165 | **123,272** | 80 percent of applications with a request for examination processed in less than 27 months | 77 percent of applications with a request for examination processed in less than 27 months |
| | | | | Trademarks: 26,443 | Trademarks: 26,394 | | Processed within 6 months of the filing date at the start of 2006–07, to four months at the end of 2006–07 | Processed within 5.5 months of filing date |
| | | | | Industrial Design: 2,681 | Industrial Design: 2,375 | | Processed within 13 months of receipt of application | Processed within 11.1 months from receipt of application |
| | | | | Copyright: 550 | Copyright: 591 | | Processed within 3 working days from receipt of application | Processed within 2.3 working days from receipt of application |
| | | | | Information: 567 | Information: 686 | | Percentage of increased awareness and use of intellectual property (SMEs segment) | 36 percent familiar with intellectual property (baseline) |
| **Total** | | | | **129,348** | **138,211** | **123,272** | | |

| Planning Years | | | | | |
|---|---|---|---|---|---|
| **Forecast Revenue ($000)** | | | **Estimated Full Cost ($000)** | | |
| **2007–08** | **2008–09** | **2009–10** | **2007–08** | **2008–09** | **2009–10** |
| 139,683 | 146,048 | 149,306 | 133,519 | 142,796 | 149,306 |

**B. Date Last Modified**

The last amendments to the schedule of fees came into force January 1, 2004.

**C. Other Information**

Turnaround times for examining trademark applications did not meet expectations, due to unexpected high attrition in 2006–07. Recruitment of new trademark examiners will redress the situation.

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* According to prevailing legal opinion, where the corresponding fee introduction or most recent modification occurred prior to March 31, 2004:

- the performance standard, if provided, may not have received parliamentary review;
- the performance standard, if provided, may not respect all establishment requirements under the *User Fees Act* (e.g., international comparison, independent complaint address); and
- the performance result, if provided, is not *legally* subject to section 5.1 of the *User Fees Act* regarding fee reductions for unachieved performance.

## Competition Bureau

### *User Fees Act*

| | | | | 2006–07 | | | | |
|---|---|---|---|---|---|---|---|---|
| **A. User Fee** | **Fee Type** | **Fee-Setting Authority** | **Date Last Modified** | **Forecast Revenue ($000)** | **Actual Revenue ($000)** | **Full Cost ($000)** | **Performance Standard*** | **Performance Results*** |
| Combined merger Notification and Advance Ruling Certificate requests | Regulatory | *Department of Industry Act*, Competition Bureau Fee and Service Standards Policy | April 1, 2003 | 1,682 | 2,200 | 5,612 | Non-complex: 14 days<br>Complex: 10 weeks<br>Very complex: 5 months | 94.5 percent<br>90.9 percent<br>66.7 percent |
| Merger Notification | Regulatory | | | 861 | 1,150 | 11,224 | Non-complex: 14 days<br>Complex: 10 weeks<br>Very complex: 5 months | 94.5 percent<br>90.9 percent<br>66.7 percent |
| Advance Ruling Certificate requests | Other products and services | | | 8,307 | 10,625 | 1,870 | | |
| Written Opinions: the Commissioner may provide binding opinions on proposed business conduct | Other products and services | | | 53 | 81 | 412 | Performance standards vary, ranging from 2 weeks to 10 weeks for different sections of the *Competition Act* | 77.3 percent |
| CA number: Provide a CA number for fabric tags | Other products and services | *Department of Industry Act* | November 1997 | 97 | 118 | 177 | There are no performance standards for this service | The majority of requests are answered instantly |
| **Total** | | | | **11,000** | **14,174** | **19,296** | | |

| Planning Years | | | | | |
|---|---|---|---|---|---|
| **Forecast Revenue ($000)** | | | **Estimated Full Cost ($000)** | | |
| **2007–08** | **2008–09** | **2009–10** | **2007–08** | **2008–09** | **2009–10** |
| 13,125 | 13,125 | 13,125 | 21,365 | 21,365 | 21,365 |

* According to prevailing legal opinion, where the corresponding fee introduction or most recent modification occurred prior to March 31, 2004:

- the performance standard, if provided, may not have received parliamentary review;
- the performance standard, if provided, may not respect all establishment requirements under the *User Fees Act* (e.g., international comparison, independent complaint address); and
- the performance result, if provided, is not *legally* subject to section 5.1 of the *User Fees Act* regarding fee reductions for unachieved performance.

## Corporations Canada

### *User Fees Act*

| | | | | 2006–07 | | | | |
|---|---|---|---|---|---|---|---|---|
| **A. User Fee** | **Fee Type** | **Fee-Setting Authority** | **Date Last Modified** | **Forecast Revenue ($000)** | **Actual Revenue ($000)** | **Full Cost ($000)** | **Performance Standard*** | **Performance Results*** |
| Corporations Canada has several product offerings, including file articles of incorporation, letters patent, file articles of continuance, file statements of revocation of intent to dissolve, file annual returns, and name searches | Regulatory | *Canada Business Corporations Act* (CBCA), *Canada Corporations Act* (CCA), *Canada Cooperatives Act* | No activity in 2006–07<br>Most recent consultations were undertaken in 2000–01, when Corporations Canada introduced a reduction in the incorporation fee and annual return fee | Incorporations under the CBCA: 4,300 | Incorporations under the CBCA: 4,457 | 12,874 | Internet:<br>CBCA incorporation applications received by 1:00 p.m. EST via e-commerce are processed by 5:00 p.m. EST<br>Visitors:<br>Clients who come to headquarters between 8:30 a.m. and 2:30 p.m. will receive one-hour, over-the-counter service<br>Batches:<br>Batches of five or more articles are processed within the same day if received before 8:00 a.m. | 91.5 percent of CBCA incorporations received via e-commerce issued within standard<br>100 percent of requests (CBCA incorporations and restated articles) issued within standard<br>100 percent of requests issued within standard |
| | | | | Incorporations under the CCA Part II: 195 | Incorporations under the CCA Part II: 232 | | CCA Part II incorporation applications are processed within 20 business days | 100 percent of CCA Part II incorporations received by mail are issued within standard |
| | | | | Annual returns under CBCA: 3,500 | Annual returns under CBCA: 4,000 | | CBCA annual returns are processed and available on the Corporations Canada website within five business days | 99 percent of annual returns received by mail are available on the Corporations Canada website within standard |
| | | | | Annual summaries under CCA: 390 | Annual summaries under CCA: 336 | | CCA annual summaries are processed and available on the Corporations Canada website within 20 business days | 99 percent of annual summaries received by mail are available on the Corporations Canada website within standard |
| | | | | Amendments under CBCA: 1,135 | Amendments under CBCA: 1,523 | | Amendments under the CBCA incorporation applications received by 1:00 p.m. EST via e-commerce are processed by 5:00 p.m. EST | 94.3 percent of amendments under the CBCA incorporation received via e-commerce issued within standard |
| | | | | Other services such as revival, certificate, copies: 980 | Other services such as revival, certificate, copies: 1,233 | | Service standards are available on the Corporations Canada website at **corporationscanada.ic.gc.ca/epic/internet/incd-dgc.nsf/en/cs01054e.html** | |
| **Total** | | | | **10,500** | **11,784** | **12,874** | | |

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Continued from previous page

| Planning Years | | | | | |
|---|---|---|---|---|---|
| **Forecast Revenue ($000)** | | | **Estimated Full Cost ($000)** | | |
| **2007–08** | **2008–09** | **2009–10** | **2007–08** | **2008–09** | **2009–10** |
| 10,500 | 10,500 | 10,500 | 12,823 | 12,366 | 12,366 |

* According to prevailing legal opinion, where the corresponding fee introduction or most recent modification occurred prior to March 31, 2004:

- the performance standard, if provided, may not have received parliamentary review;
- the performance standard, if provided, may not respect all establishment requirements under the *User Fees Act* (e.g., international comparison, independent complaint address); and
- the performance result, if provided, is not *legally* subject to section 5.1 of the *User Fees Act* regarding fee reductions for unachieved performance.

## Measurement Canada

### *User Fees Act*

| | | | | 2006–07 | | | | |
|---|---|---|---|---|---|---|---|---|
| **A. User Fee** | **Fee Type** | **Fee-Setting Authority** | **Date Last Modified** | **Forecast Revenue ($000)** | **Actual Revenue ($000)** | **Full Cost ($000)** | **Performance Standard*** | **Performance Results*** |
| Measurement standards certification and measuring device approval | Regulatory | *Weights and Measures Act* | 1993 | 260 | 262 | 1,024 | Certificate of Calibration is issued in 60 calendar days<br>Notice of Approval issued in 90 days if device is in compliance with requirements | Performance standard met, on average, 95 percent of the time<br>Performance standard met, on average, 85 percent of the time |
| Measuring device inspection | Regulatory | *Weights and Measures Act* | 1993 | 900 | 638 | 2,495 | Inspection is performed within 10 calendar days of receipt of request | Performance standard met, on average, 80 percent of the time |
| Measuring apparatus certification and electricity and natural gas meter approval | Regulatory | *Electricity and Gas Inspection Act* | 1995 | 160 | 161 | 630 | Certificate of Calibration is issued in 60 calendar days<br>Notice of Approval issued in 90 days if meter is in compliance with requirements | Performance standard met, on average, 95 percent of the time<br>Performance standard met, on average, 80 percent of the time |
| Electricity and gas meter inspection | Regulatory | *Electricity and Gas Inspection Act* | 1995 | 200 | 87 | 203 | Inspection is performed within 10 calendar days of receipt of request | Performance target met 80 percent of the time |
| Electricity and gas accreditation | Regulatory | *Electricity and Gas Inspection Act* | 1995 | 110 | 77 | 179 | Accreditation is granted within one month of an audit that demonstrates the applicant has met all requirements | Performance target met 100 percent of the time |
| **Total** | | | | **1,630** | **1,225** | **4,530** | | |

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Continued from previous page

| **Planning Years** | | | | | |
|---|---|---|---|---|---|
| **Forecast Revenue ($000)** | | | **Estimated Full Cost ($000)** | | |
| **2007–08** | **2008–09** | **2009–10** | **2007–08** | **2008–09** | **2009–10** |
| **Measurement Standards Certification and Measuring Device Approval** | | | | | |
| 260 | 260 | 260 | 1,016 | 1,016 | 1,016 |
| **Measuring Device Inspection** | | | | | |
| 900 | 900 | 900 | 3,519 | 3,519 | 3,519 |
| **Measuring Apparatus Certification and Electricity and Natural Gas Meter Approval** | | | | | |
| 160 | 160 | 160 | 625 | 625 | 625 |
| **Electricity and Gas Meter Inspection** | | | | | |
| 200 | 200 | 200 | 782 | 782 | 782 |
| **Electricity and Gas Accreditation** | | | | | |
| 110 | 110 | 110 | 431 | 431 | 431 |
| **Total: 1,630** | **Total: 1,630** | **Total: 1,630** | **Total: 6,373** | **Total: 6,373** | **Total: 6,373** |

* According to prevailing legal opinion, where the corresponding fee introduction or most recent modification occurred prior to March 31, 2004:

- the performance standard, if provided, may not have received parliamentary review;
- the performance standard, if provided, may not respect all establishment requirements under the *User Fees Act* (e.g., international comparison, independent complaint address); and
- the performance result, if provided, is not *legally* subject to section 5.1 of the *User Fees Act* regarding fee reductions for unachieved performance.

# Office of the Superintendent of Bankruptcy

## *User Fees Act*

| | | | | 2006–07 | | | | |
|---|---|---|---|---|---|---|---|---|
| **A. User Fee** | **Fee Type** | **Fee-Setting Authority** | **Date Last Modified** | **Forecast Revenue ($000)** | **Actual Revenue ($000)** | **Full Cost ($000)** | **Performance Standard*** | **Performance Results*** |
| Registration fee | Regulatory | *Bankruptcy and Insolvency Act* and Rules | 2001 | 9,268 | 9,336 | 13,281 | Registration of new estates: 90 percent of the time within two days | 99.9 percent of estates registered within standard |
| Superintendent levy | Regulatory | *Bankruptcy and Insolvency Act* and Rules | 2001 | 22,479 | 21,923 | 31,188 | Letters of comment: issued 90 percent of the time within 21 business days of receipt of the Statement of Affairs | 92.7 percent of letters issued within standard |
| Name search fee | Regulatory | *Bankruptcy and Insolvency Act* and Rules | 2001 | 2,450 | 2,758 | 3,923 | Faxes answered within 24 hours | 99.9 percent of faxes responded to within standard |
| Trustee licence fee | Regulatory | *Bankruptcy and Insolvency Act* and Rules | 2001 | 970 | 1,011 | 1,438 | No standard<br>Annual fee is paid by a trustee in order to retain his/her licence. The licence is annulled if the fee is not paid. | N/A |
| **Total** | | | | **35,167** | **35,027** | **49,830** | | |

| Planning Years | | | | | |
|---|---|---|---|---|---|
| **Forecast Revenue ($000)** | | | **Estimated Full Cost ($000)** | | |
| **2007–08** | **2008–09** | **2009–10** | **2007–08** | **2008–09** | **2009–10** |
| **Registration Fee** | | | | | |
| 9,190 | 9,292 | 9,497 | 12,996 | 13,071 | 13,181 |
| **Superintendent Levy** | | | | | |
| 21,784 | 21,864 | 22,132 | 30,806 | 30,759 | 30,719 |
| **Name Search Fee** | | | | | |
| 2,751 | 2,751 | 2,751 | 3,890 | 3,870 | 3,818 |
| **Trustee Licence Fee** | | | | | |
| 1,000 | 1,000 | 1,000 | 1,414 | 1,407 | 1,388 |
| **Total: 34,725** | **Total: 34,907** | **Total: 35,380** | **Total: 49,107** | **Total: 49,107** | **Total: 49,107** |

* According to prevailing legal opinion, where the corresponding fee introduction or most recent modification occurred prior to March 31, 2004:

- the performance standard, if provided, may not have received parliamentary review;
- the performance standard, if provided, may not respect all establishment requirements under the *User Fees Act* (e.g., international comparison, independent complaint address); and
- the performance result, if provided, is not *legally* subject to section 5.1 of the *User Fees Act* regarding fee reductions for unachieved performance.

## Spectrum Management

### *User Fees Act*

| | | | | 2006–07 | | | | |
|---|---|---|---|---|---|---|---|---|
| **A. User Fee** | **Fee Type** | **Fee-Setting Authority** | **Date Last Modified** | **Forecast Revenue ($000)** | **Actual Revenue ($000)** | **Full Cost ($000)** | **Performance Standard*** | **Performance Results*** |
| Radio licences<br>1. Land mobile service:<br>a) Pre-determined (fixed parameters)<br>b) Non-pre-determined (requiring frequency assignment and electromagnetic compatibility study)<br>2. Fixed service<br>3. Space service | Regulatory | *Financial Administration Act*<br>*Radiocommunication Act*<br>*Department of Industry Act* | Radio licence fees: 2000 | 205,000 | 217,472 | 98,171 | 1a) Processing time of three weeks (15 working days) per transaction<br>1b) Processing time of seven weeks (35 working days) per transaction<br>2. Processing time of four weeks (20 working days) per transaction<br>3. Processing time of nine weeks (45 working days) per transaction | 1a) Three-week processing standard met 98.1 percent of the time<br>1b) Seven-week processing standard met 96.2 percent of the time<br>2. Four-week processing standard met 93.6 percent of the time<br>3. Nine-week processing standard met 99.1 percent of the time |
| Radio and terminal equipment approval | Regulatory | *Financial Administration Act* | The fees were last modified January 21, 1998 | 1,000 | 1,537 | 2,351 | Three to five weeks | Twelve calendar days on average; 35 days maximum; standard met 85 percent of the time |
| **Total** | | | | **206,000** | **219,009** | **100,521** | | |

| **Planning Years** | | | | | |
|---|---|---|---|---|---|
| **Forecast Revenue ($000)** | | | **Estimated Full Cost ($000)** | | |
| **2007–08** | **2008–09** | **2009–10** | **2007–08** | **2008–09** | **2009–10** |
| **Radio Licences** | | | | | |
| 210,000 | 210,000 | 210,000 | 93,447 | 93,447 | 93,447 |
| **Radio and Terminal Equipment Approval** | | | | | |
| 1,150 | 570 | 530 | 1,784 | 890 | 828 |
| **Total: 211,150** | **Total: 210,570** | **Total: 210,530** | **Total: 95,231** | **Total: 94,337** | **Total: 94,275** |

* According to prevailing legal opinion, where the corresponding fee introduction or most recent modification occurred prior to March 31, 2004:

- the performance standard, if provided, may not have received parliamentary review;
- the performance standard, if provided, may not respect all establishment requirements under the *User Fees Act* (e.g., international comparison, independent complaint address); and
- the performance result, if provided, is not *legally* subject to section 5.1 of the *User Fees Act* regarding fee reductions for unachieved performance.

# 3.3 Response to Parliamentary Committees, Audits and Evaluations

**Responses to the Auditor General (including to the Commissioner of the Environment and Sustainable Development)**

**Commissioner of the Environment and Sustainable Development — Petitions**

The environmental petitions process is a formal way for Canadians to bring concerns about the environment and sustainable development to the attention of federal ministers and obtain a timely response.

The environmental petitions process was created as a result of a 1995 amendment to the *Auditor General Act*. On behalf of the Auditor General of Canada, the Commissioner of the Environment and Sustainable Development manages the petitions process and monitors responses by making sure that the questions and issues that Canadians raise are answered by federal ministers.

The Minister responded to the following petitions in 2006–07:

Petition No. 167 — *Alternative Fuels Act*
Petition No. 170 — Friends to the Earth
Petition No. 171 — Bio Vectra, Targeted Biopharmaceutical Solutions
Petition No. 172 — Residential Exposure Assessment and Risk Analysis
Petition No. 174 — Cellular Telephone Tower and the *Canadian Assessment Act*

**Internal Audits or Evaluations**

**The Audit and Evaluation Branch**

Through its professional internal audit and evaluation services, and the support it provides to the Audit and Evaluation Committee, the Audit and Evaluation Branch reinforces good stewardship practices and sound decision making and provides assurance to the Deputy and Associate Deputy Ministers. The Branch also contributes to making Industry Canada a learning organization and further supports the continuous improvement of departmental operations.

**The following audits and evaluations were approved by the Departmental Audit and Evaluation Committee during 2006–07:**

**Audits**

Audit of the Management Control Framework of Spectrum Telecommunications Program

**www.ic.gc.ca/cmb/welcomeic.nsf/532340a8523f33718525649d006b119d/455ca7177b038657852571b1004da355!OpenDocument**

Audit of Contracting at the Canadian Intellectual Property Office

**www.ic.gc.ca/cmb/welcomeic.nsf/532340a8523f33718525649d006b119d/bbcbabff61a65cae852571b1004d834f!OpenDocument**

Audit of Departmental Financial Controls

**www.ic.gc.ca/cmb/welcomeic.nsf/532340a8523f33718525649d006b119d/bdb64cd464f73b358525724b0059aa4d!OpenDocument**

Audit of the Management of Building Systems — Communications Research Centre Canada

**www.ic.gc.ca/cmb/welcomeic.nsf/532340a8523f33718525649d006b119d/902038dc840aa3b88525724b0059aa4c!OpenDocument**

Audit of the Sustainable Cities Initiative

**www.ic.gc.ca/cmb/welcomeic.nsf/532340a8523f33718525649d006b119d/10a7fdbb8fad261a8525724b0059aa4e!OpenDocument**

Audit of Business Continuity Planning

**www.ic.gc.ca/cmb/welcomeic.nsf/532340a8523f33718525649d006b119d/c08e299a6942d727852572a0005e07a2!OpenDocument**

Audit of Hydrogen Early Adopters Program

**www.ic.gc.ca/cmb/welcomeic.nsf/532340a8523f33718525649d006b119d/ee8526ec8499da4a852572a0005ee376!OpenDocument**

### Evaluations

Formative Evaluation of the FedNor — Eastern Ontario Development Fund

**www.ic.gc.ca/cmb/welcomeic.nsf/532340a8523f33718525649d006b119d/0dae2abb1336d694852571b1004dd335!OpenDocument**

Summative Evaluation of the Northern Ontario Economic Development Fund (NODF)

**www.ic.gc.ca/cmb/Welcomeic.nsf/532340a8523f33718525649d006b119d/751317c22adb3586852571b1004df0d1!OpenDocument**

Summative Evaluation of the Canadian Biotechnology Strategy Program

**www.ic.gc.ca/cmb/Welcomeic.nsf/532340a8523f33718525649d006b119d/3022eaa7eee37311852571b1004de1e8!OpenDocument**

Formative Evaluation of Student Connections

**www.ic.gc.ca/cmb/Welcomeic.nsf/532340a8523f33718525649d006b119d/822be02c6893a30d8525724b005b7762!OpenDocument**

Mid-Term Evaluation of Industry Canada's Sustainable Development Strategy, 2003–2006 (SDS III)

**www.ic.gc.ca/cmb/Welcomeic.nsf/532340a8523f33718525649d006b119d/0a21e621f4c4e1928525724b005b7763!OpenDocument**

Formative Evaluation of Industry Canada's Action Plan 2004–2008 (Section 41) and the Economic Development of Official Language Minority Communities (EDOLMC)

**www.ic.gc.ca/cmb/Welcomeic.nsf/532340a8523f33718525649d006b119d/17b7b9635a689430852572a0005fbff3!OpenDocument**

Formative Evaluation of the Language Industry Initiative

**www.ic.gc.ca/cmb/welcomeic.nsf/532340a8523f33718525649d006b119d/be4f2e09ff0aa63c852572a00060b89e!OpenDocument**

Evaluation of the Sustainable Cities Initiative

**www.ic.gc.ca/cmb/Welcomeic.nsf/532340a8523f33718525649d006b119d/b5934c214a1c54a58525724b005b7761!OpenDocument**

# 3.4 Sustainable Development Strategy

| Details of Industry Canada's Sustainable Development Strategy | |
|---|---|
| 1. What are the key goals, objectives, and/or long-term targets of the SDS? | Industry Canada tabled its fourth Sustainable Development Strategy 2006–2009 (SDS IV) in December 2006. SDS IV supports a competitive economy and aims to position Industry Canada as a leader in supporting sustainable development technologies and practices for business and consumers. To achieve these objectives, SDS IV aims to achieve three strategic outcomes: sustainability-driven technologies and commercialization; sustainability tools, practices, research and awareness; and sustainability practices and operations within Industry Canada. The strategic outcomes represent the long-term benefits to stakeholders that can be derived from the implementation of the Department's Sustainable Development Strategy. |
| 2. How do your key goals, objectives, and/or long-term targets help achieve your department's strategic outcomes? | SDS IV's strategic outcomes are aligned with the Department's strategic outcomes. The Department is committed to establishing a **fair, efficient and competitive marketplace**, which helps to establish a robust business environment that encourages R&D investment and entrepreneurship. SDS IV's strategic outcome of "sustainability tools, practices, research and awareness" supports the implementation of business sustainability strategies designed to reduce risk, manage liabilities, improve productivity performance, and respond to consumer demands for sustainable products and services.<br>The Department is committed to promoting an **innovative economy**, which drives science and technology progress and ensures that discoveries made in Canada contribute to the quality of life of Canadians. SDS IV's strategic outcome of "sustainability-driven technologies and commercialization" supports investment in the generation and commercialization of knowledge, in support of the development of environmental and enabling technologies.<br>The Department is committed to supporting the development of **competitive industry and sustainable communities**, which promotes business investment and development, long-term growth and sustainable development. SDS IV's strategic outcome of "sustainability tools, practices, research and awareness" supports the adoption of sustainability-enhancing business-process-improvement tools and practices, and responds to heightened consumer demands for products and services that are more sustainable.<br>The third strategic outcome of SDS IV, "implementing sustainability practices and operations within Industry Canada," contributes to the Department"s corporate management function by promoting sustainability management systems and processes, greening operations programming, and training and capacity-building initiatives. |
| 3. What were your targets for the reporting period? | SDS IV is a three-year Department-wide plan for progressing toward sustainable development. Work will take place on 26 action items on an ongoing basis throughout the three-year period (2006–2009) to achieve the planned outcomes. Each of the three strategic outcomes has a specific target. Target 1: Work in partnership with industry and others to increase development, commercialization, adoption and diffusion of environmental, energy and bio-based technologies. By December 2009, Industry Canada will complete the implementation of nine action plan items. Target 2: Work in partnership with industry, consumers and others to increase use by firms, industries and institutions of sustainability and corporate social responsibility practices, and increased consumer awareness of sustainability issues. |

| | |
|---|---|
| | By December 2009, 11 action plan items will be completed.<br>Target 3: Enhance the capacity of Industry Canada's management systems by increasing implementation of sustainable operations and practices, and integration of sustainable development principles into departmental planning, performance measurement and evaluation frameworks. By December 2009, six action plan items will be implemented. |
| 4. What is your progress to date? | Industry Canada has made progress over the past 10 years in achieving its targets set out in previous SDSs, and it is the Department's goal to continue to improve its work in this area over the period of SDS IV. These efforts will continue to focus on supporting long-term competitiveness through the dissemination of information, tools and practices to Canadian industry and consumers. Industry Canada will also continue to improve the integration of sustainability principles into its planning, performance measurement and evaluation frameworks, and improve its greening operations performance.<br>SDS IV contains 26 action items, which are designed to deliver on the three strategic outcomes. A total of 11 branches from across Industry Canada are responsible for the implementation of these action items. Highlights from the first reporting period (December 2006–March 31, 2007) include: **Biorefineries:** Life Sciences Branch developed a Technology Roadmap focusing on technology to enable production of value-added chemicals from under-used materials in the forest sector. **Computers for Schools (CFS):** Information Highway Applications Branch (IHAB) reported that its program diverted approximately 1,505 tonnes (1,659 imperial tons) of CPUs from landfill through re-use. **Greening Operations:** The Facilities Management Branch (Environmental Steward) increased employee awareness and promoted green operations by initiating a weekly online article "Environmental Practices." **Renewed Strategic Environmental Assessment (SEA):** Strategic Policy Branch (SPB) launched a renewed SEA guidance document, and a publicly accessible website, including a public statements page. SPB also held a sustainable development training course for 17 departmental employees. |
| 5. What adjustments have you made, if any? (To better set the context for this information, discuss how lessons learned have influenced your adjustments.) | Industry Canada's SDS IV contains 26 action items, which will be delivered over the three-year life of the Strategy. Many of the ongoing initiatives of the SDS have been modified to reflect changes in individual branch priorities and resources, and views expressed by stakeholders at consultations. As well, new initiatives have been developed to take into account issues raised by stakeholders and evaluations of past strategies. These adjustments are reported through the Department's monitoring and reporting system. As well, semi-annual Strategy progress reports are submitted to both the Director General Policy Committee and to the Deputy Minister, and highlights are posted online. To date, one round of SDS IV progress reports has been completed. |

# Section 4:
# Other Items of Interest

## 4.1 Section 41, *Official Languages Act*

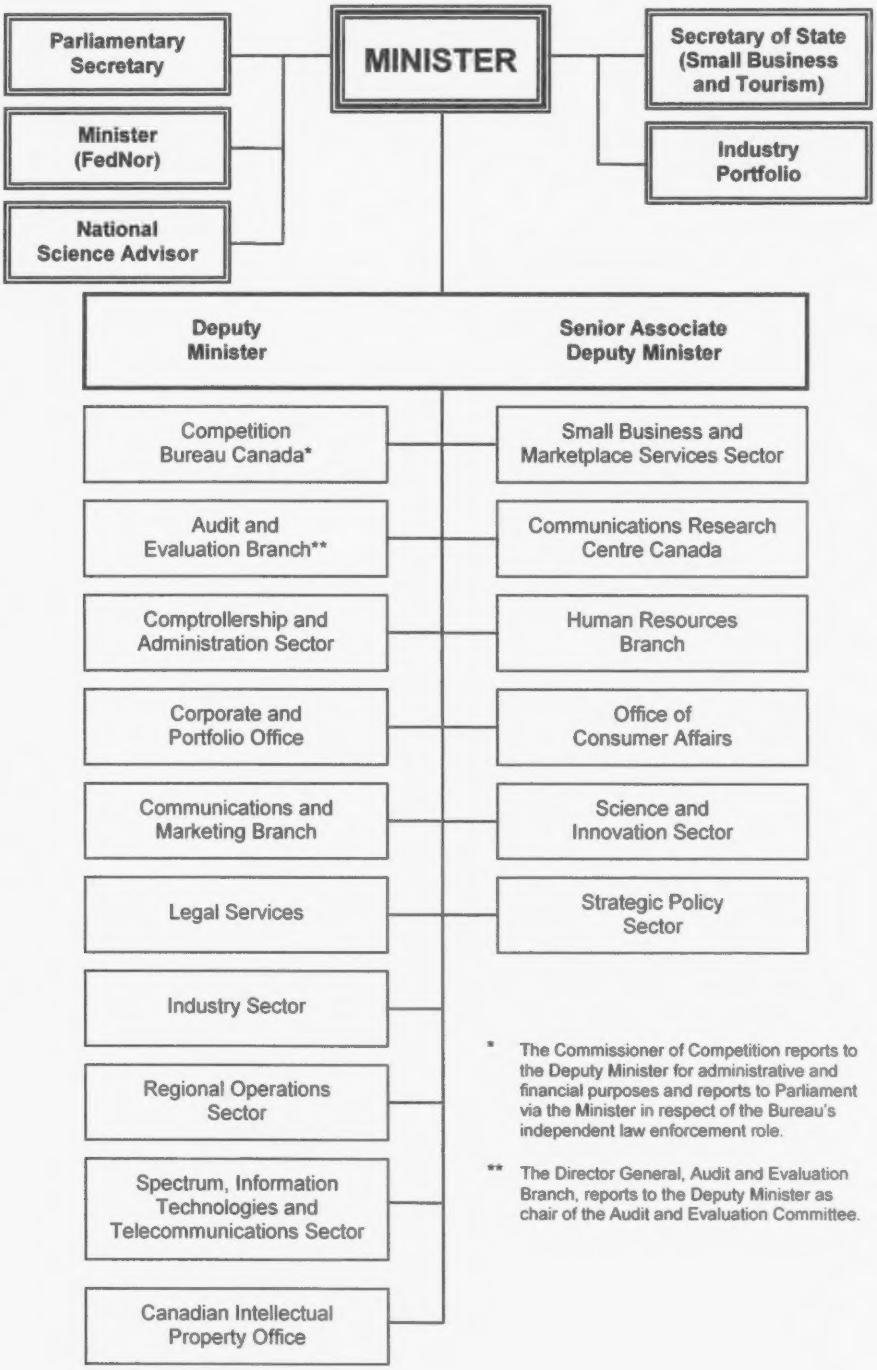
The Department has established a coordinated strategic framework to maximize participation by official-language minority communities in existing federal economic development programs and services. This framework integrates the government's *Action Plan for Official Languages*. Industry Canada and the four regional development agencies continued implementation of this plan in 2006–07. In addition, work continued on a major research effort on minority communities, and consultations strengthened partnerships with them.

During the past year, Industry Canada's commitment to official-language minority communities has been strengthened through a number of key activities. A dialogue has been maintained, on an ongoing basis and at various levels, to better understand the priorities and challenges that official-language minority communities are facing. In particular, Industry Canada's network of regional advisors and coordinators is dedicated to working exclusively with these communities and has been reinforced with new communications tools. At the same time, Industry Canada has continued awareness-building efforts internally as well as externally to ensure that managers and community leaders are informed about community needs and evolving programs. A formative evaluation was completed on all departmental programs, activities and projects that have been implemented to support the economic development of official-language minority communities. The recommendations were accepted and are being enacted. A DVD was also developed that features interactive geographic maps showing the locations of official-language minority communities across the country, using Statistics Canada data. This tool will provide a more comprehensive statistical portrait of the communities to help the Department determine future initiatives.

Throughout all of these activities, as well as in other efforts, Industry Canada has strengthened partnerships with the regional development agencies to ensure a coordinated presence within official-language minority communities.

## 4.2 Industry Canada's Organizational Chart

Industry Canada's organizational chart illustrates the Department's accountability structure.


MINISTER
Parliamentary Secretary
Minister (FedNor)
National Science Advisor
Secretary of State (Small Business and Tourism)
Industry Portfolio
Deputy Minister
Senior Associate Deputy Minister
Competition Bureau Canada*
Audit and Evaluation Branch**
Comptrollership and Administration Sector
Corporate and Portfolio Office
Communications and Marketing Branch
Legal Services
Industry Sector
Regional Operations Sector
Spectrum, Information Technologies and Telecommunications Sector
Canadian Intellectual Property Office
Small Business and Marketplace Services Sector
Communications Research Centre Canada
Human Resources Branch
Office of Consumer Affairs
Science and Innovation Sector
Strategic Policy Sector

* The Commissioner of Competition reports to the Deputy Minister for administrative and financial purposes and reports to Parliament via the Minister in respect of the Bureau's independent law enforcement role.

** The Director General, Audit and Evaluation Branch, reports to the Deputy Minister as chair of the Audit and Evaluation Committee.

## 4.3 Organizational Changes within Industry Canada

The Department's organizational chart shown on the previous page reflects a number of recent organizational changes that are outlined in further detail below. It is important to note that the 2006–07 DPR does not reflect this new organizational structure. The organizational changes include the following:

- **Policy Sector:** The previous Policy Sector has been reshaped to create a more focused **Strategic Policy** group, and a new **Science and Innovation** group that will better focus on innovation policy in its broadest sense.
- **Operations Sector:** The previous Operations Sector has been split into the **Small Business and Marketplace Services Sector** and the **Regional Operations Sector** following a realignment of Industry Canada's operational agenda.

## 4.4 Machinery of Government Changes

In 2006–07, changes in the machinery of government affected Industry Canada and its Portfolio in the following ways:

- **Aboriginal Business Canada (ABC)** — ABC was transferred from Industry Canada to Indian and Northern Affairs Canada as of December 2006. Given that this change occurred late in the fiscal year, the Main Estimates for 2007–08 do not reflect the transfer. The transfer will be reflected in the 2007–08 Supplementary Estimates and the 2008–09 Main Estimates.
- **National Science Advisor (NSA)** — The NSA was transferred from the Privy Council Office to Industry Canada as of May 2006. Due to the timing of this transfer, the financial and human resources associated with the NSA are included with Corporate Services, and the resources are divided across all programs and services.
- **Secretary of State (Small Business and Tourism)** — On January 4, 2007, the Secretary of State (Small Business and Tourism) was appointed. The Secretary of State is responsible for small business and tourism, including outreach to key stakeholders and business associations such as the Canadian Federation of Independent Business and the Tourism Industry Association of Canada. Industry Canada supports the Secretary of State in his endeavours to address key priorities pertaining to small business and tourism.

# Section 5:
# Information Available Online

## 5.1 List of Tables Available Online

5.1.1 Summary Table of Priorities by Strategic Outcome
**ic.gc.ca/epic/site/ic1.nsf/en/00290e.html**

5.1.2 Additional Information on User Fees (Table B)
**publiservice.tbs-sct.gc.ca/rma/dpr2/06-07/index_e.asp**

5.1.3 Progress Against the Department's Regulatory Plan
**publiservice.tbs-sct.gc.ca/rma/dpr2/06-07/index_e.asp**

5.1.4 Details on Project Spending
**www.tbs-sct.gc.ca/rma/dpr1/06-07/index_e.asp**

5.1.5 Details on Transfer Payments Programs
**www.tbs-sct.gc.ca/rma/dpr1/06-07/index_e.asp**

5.1.6 Conditional Grants (Foundations)
**www.tbs-sct.gc.ca/rma/dpr1/06-07/index_e.asp**

5.1.7 Horizontal Initiatives
**www.tbs-sct.gc.ca/rma/eppi-ibdrp/hrdb-rhbd/profil_e.asp**

5.1.8 Financial Statements of the Canadian Intellectual Property Office Revolving Fund
**ic.gc.ca/epic/site/ic1.nsf/en/00292e.html**

5.1.9 Financial Statements of the Department of Industry
**ic.gc.ca/epic/site/ic1.nsf/en/00293e.html**

5.1.10 Procurement and Contracting
**publiservice.tbs-sct.gc.ca/rma/dpr2/06-07/index_e.asp**

5.1.11 Client-Centred Service
**publiservice.tbs-sct.gc.ca/rma/dpr2/06-07/index_e.asp**

5.1.12 Travel Policies
**publiservice.tbs-sct.gc.ca/rma/dpr2/06-07/index_e.asp**

5.1.13 Storage Tanks
**publiservice.tbs-sct.gc.ca/rma/dpr2/06-07/index_e.asp**

## 5.2 Results Information for Sub-Program and Sub-Sub-Program Activities by Strategic Outcome

5.2.1 A Fair, Efficient and Competitive Marketplace
**ic.gc.ca/epic/site/ic1.nsf/en/00291e.html**

5.2.2 An Innovative Economy
**ic.gc.ca/epic/site/ic1.nsf/en/00291e.html#5.2.2**

5.2.3 Competitive Industry and Sustainable Communities
**ic.gc.ca/epic/site/ic1.nsf/en/00290e.html#5.2.3**

# Appendix

## Linking Industry Canada's *Report on Plans and Priorities* (RPP) to the *Departmental Performance Report* (DPR)

The following table is a crosswalk of changes to the format and content of Industry Canada's DPR as compared with what was reported in the RPP (both for fiscal year 2006–07).

| Section of Document | Location of Information in RPP 2006–07 | Location of Information in DPR 2006–07 | Notable Changes in DPR for the Period Ended March 31, 2007 |
|---|---|---|---|
| Minister's Message | Section 1.1 | Section 1.1 | • None |
| Management Representation Statement | Section 1.2 | Section 1.2 | • None |
| Summary Information | Section 1.4 | Section 1.3 | • Two new sub-sections have been added: Industry Canada's Governance Structure and Operating Context.<br>• The Summary Information by Priorities Table has been moved to Section 1.5.<br>• Industry Canada's Organizational Chart has been moved to Section 4. |
| Strengthening Management Practices at Industry Canada | Section 1.6 | Section 1.4 | • This section was renamed for clarity (formerly called "Industry Canada's Management Priorities"). |
| Overall Departmental Performance | Sections 1.3 and 1.5 | Section 1.5 | • Three new sub-sections have been added:<br>o Industry Canada's Program Activity Architecture (PAA) Structure;<br>o Alignment to Government of Canada Outcomes Table (and supporting text);<br>o Departmental Priorities (Note: A Summary Table of Priorities by Strategic Outcome containing performance information is now available online.) |
| Analysis of Program Activities by Strategic Outcome | Section 2 | Section 2 | • The format of this section has been modified to strengthen the link between the commitments stated in the RPP and results achieved. |
| Supplementary Information | Section 3 | Section 3 | • A number of tables that were included in this section of the RPP are available online. |
| Other Items of Interest | Section 4 | Section 4 | • The following sub-sections have been added:<br>o Industry Canada Organizational Information;<br>o Organizational Changes within Industry Canada; and<br>o Machinery of Government Changes |
| Items Available Online | Not applicable | Section 5 | • This section contains an itemized list of all the information that is available online in html format, including results for activities in the PAA at the sub-program level. |
| Results Information for Sub-Program and Sub-Sub-Program Activities by Strategic Outcome | Appendix | Section 5.2 | • This section no longer appears in the print version of the DPR. It is available online in html format. |

# Index

A

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Advisory Council on Science and Technology 11, 37

Agreement on Internal Trade 22

B

*Bankruptcy and Insolvency Act* 23, 77

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